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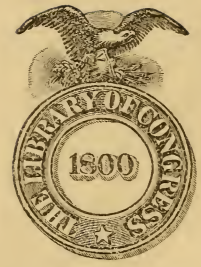

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EFFICIENCY

PRACTICAL LESSONS IN LIFE INSURANCE SALESMANSHIP

BY

FORBES LINDSAY, Charles Harcourt Lindsay

Fourth Edition

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PREFACE TO THE FOURTH EDITION

THE greater part of this book is reproduced without change. Communications from numerous readers indicate that it precisely fills the requirements of the average life insurance agent. In the section referring to Endowment Insurance, an important addition has been made by the explanation of the method of conversion from Endowment to the greatest available amount of Straight Life Insurance. This is a change which policyholders would often be glad to make if they were aware of the possibility.

A chapter has been added upon a subject of the utmost importance to all salesmen. It shows the reasons why so many do not write a greater amount of business, and offers particular suggestions for improvement in this direction.

F. L.

LOS ANGELES, October 1, 1917.

EFFICIENCY is the Alpha and Omega of Success. Efficiency is Fitness: it is the Faculty of doing things Rightly and Adequately.

There is a Hindi proverb which runs: "The road is paved with leather for the man whose feet are shod." In other words, Adaptation is the key to Facility. The man who has qualified himself for his work will find conditions favorable to success.

The untrained life insurance salesman is constantly encountering difficulties due to his inefficiency. His energy is more or less misdirected. His processes are largely haphazard and hampered by the friction of accident. In a word, he is Unfit and, consequently, Ineffective.

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EFFICIENCY

Efficiency

CHAPTER I.

THE ESSENTIAL ATTITUDE.

ALTHOUGH the writer is not without hope that this little volume may be of some service to experienced Life Insurance agents, it is intended primarily for the use of beginners. To the latter this prefatory advice is especially addressed.

The spirit that actuates you in an undertaking is of vital importance. Your success or failure may depend entirely upon it.

What is your attitude toward the Life Insurance business? Are you treating it as a convenience or a makeshift? If so, your chances of success are slim indeed. Have you taken up the work as an experiment, or on trial? In that case you are handicapping yourself heavily. The doubt in your mind is acting as a brake on your progress.

If you would give yourself a fair chance to "make good," you must set out with determination never to turn back. You must bring wholehearted devotion to your work. You must be moved by a singleness of purpose—by the idea of directing all your energy and faculties upon your business.

When you have honestly attained this phase of mental attitude you are already a considerable distance along the road to Success.

PRIDE IN YOUR PROFESSION.

In these days, Life Insurance is such a highly specialized business that it justly ranks with the professions. More than seventy universities and colleges maintain courses in Life Insurance.

Not a few of the most brilliant and able men in this country are engaged in the same calling as yourself. You may well be proud to claim it as your vocation. But, do not disgrace it and yourself by poor workmanship.

Closely akin to Pride in your Profession is Faith in your company. "The best company" is a relative term in Life Insurance.

Your company must be the best for you. If there is any better you should be working for it.

Satisfaction with your calling and belief in your company will promote your Efficiency and, at the same time, excite the Respect of your acquaintances.

SELF-ASSURANCE.

Believe in yourself. Count on Success. Every victory is won in the imagination before the battle begins. The man who doubts is defeated ere he faces the issue.

You don't know what you can do until you try. The outcome of a determined effort will surprise you. Aim at big things. What if you fail at the first attempt? Go to it again. The man who can come back smiling is the most formidable force in the world.

HONESTY IN YOUR DEALINGS.

Be square. Start out with a firm resolution to make Honesty control your thoughts and acts.

Never fool yourself. Be a severe critic in Self-Examination. Be an exacting taskmaster in Self-Discipline.

Remember your obligation to your company and your duty to your manager. From these sources you are receiving assistance, without which you could not carry on your business. An investment has been made in you, indicating Faith in your Integrity and Ability. Don't betray the Trust.

The adage "Honesty is the best policy," is strikingly applicable to the business of Life Insurance. If you are permanently engaged in it, the best asset that you can create is a Reputation for Honest Dealing. It will act as a sinking fund, steadily earning interest, and affording you a perpetual source to draw upon for new business.

In considering a contract for a prospect, banish all calculation of commission. Base your recommendation on sincere judgment of his best interests. Every policy properly placed will put a permanent support under your structure of Success.

THE EARNEST ATTITUDE.

I have made no mention of Enthusiasm. It is apt to be fleeting and ill-balanced. Earnestness is a more serviceable quality.

Enthusiasm is the smoke and report of a musketry discharge. Earnestness is the bullet. Both emanate from the same source, but one represents emotion: the other force. Enthusiasm is less substantial, less durable than Earnestness. The former may excite a prospect's interest, the latter will secure his signature.

In order to produce good results, you must have an Earnest Interest in your work. In order to have and to hold Interest, you must understand your business and be conscious of a certain degree of expertness in it. And nothing can keep your Interest alive to the same extent as constantly increasing Knowledge and Efficiency, accompanied, as they must necessarily be, by steadily growing Success.

RECEPTIVENESS TO TEACHING.

Successful men in every walk of life realize their limitations and need of improvement. The "know-it-alls" are always found in the ranks of failures. Commencing as poor workmen, they gain, from sheer experience, a moderate measure of ability, remain stationary for a few years, and then retrograde. Without ever having run through a respectable edition, they become back numbers.

To increase your Efficiency, you must be conscious of shortcoming and anxious to learn. Maintain a good opinion of your ability, cherish self-respect, cultivate confidence—but don't entertain the fatuous idea that you are beyond the range of instruction.

PREPARATION.

There is nothing more important in life than Preparation. The successful man is he who turns opportunities to account, and this can only be done by being prepared for them.

Preparation as applied to Life Insurance salesmanship is general and specific. The scope of it is practically unlimited. Physical culture, mental training, acquisition of knowledge—all these are in line with it. As long as you remain in the business you will be engaged in Preparation—general preparation for greater accomplishment, and special preparation for particular efforts.

This phase of Efficiency is in itself an extensive subject which, if we should pursue it, would lead us into the fields of logic, psychology, and other abstract studies. In the following pages we shall be restricted to consideration of the acquisition of technical knowledge and practical methods of selling Life Insurance.

SCIENTIFIC SALESMANSHIP.

Have you a definite idea of an efficient canvass? Probably not. It is one for which preparation has been made by securing all available information about the prospect, by a careful analysis of the concrete proposition to be presented, and by a thorough rehearsal of the main argument to be advanced. It is one in which the prospect's case is treated as a particular problem to be solved in a definite manner. It is one in which instead of a stereotyped description of the policy, just such features of it as may be calculated to appeal to the individual in the case are explained and dwelt upon—and no more. It is one which is brought to a successful conclusion by alert, discriminating brain work, by discovering and playing on the **motive** through which the prospect may most readily be led to desire the policy and resolve to take it.

Any man may qualify himself to make his canvasses habitually in this manner—no one but may become, if he will, a good closer; that is, master of his business. You have been told, perhaps, that good closers are born such. Some of them are, but many others, and among them the best, are self-made and with pretty poor material to start on, at that.

You can, with reasonable application and diligence, convert yourself from a mere hack to a scientific salesman. It is surely worth the time and trouble.

CHAPTER II.

THE ELEMENTS OF LIFE INSURANCE.

SOME time ago an automobile salesman endeavored to sell me a machine. In the course of a short talk he interested me greatly. I did not see him again for several weeks. When he next appeared, I learned that the interim had been passed at his company's works. He talked for an hour on the processes of manufacture and when he left I hoped never to see him again. You see, I was thinking of buying a car,—not of setting up a factory.

So in Life Insurance, three months in the factory —the actuary's department—would ruin the best salesman. Your prospect doesn't want to learn how we manufacture our policies. He is interested in hearing about the working parts and the service he may derive from them.

It is sufficient for you to know the elementary principles of Life Insurance in their practical bearing on your work. You can write applications efficiently with no more technical knowledge than that of the composition of a premium and the operation of the mortality tables.

You must not misunderstand me, however. The danger I am warning you against is not the acquisition of knowledge, but the misuse of it. This is almost sure to result from too great attention to the technicalities of the business.

A well-balanced daily ration would consist of one part theory and nine parts practice, and the former should have a close relation to the latter.

For example, let us suppose that in the course of a day's work, you come into competition with another company, and take occasion to familiarize yourself with one or more of its policies. You have gained useful knowledge in a much more practical and desirable manner than if you should sit down to study the contracts of half a dozen companies, with an indefinite view to possible future contingencies.

PARTICIPATING AND NON-PARTICIPATING INSURANCE.

Legal Reserve life insurance is issued on two general plans. Under one of these the premium is subject to reduction by dividends. Under the other, the premium remains constant at a guaranteed figure.

Participating and Non-participating insurance have advantages peculiar to each system. As a practical issue the choice between the plans should be influenced by consideration of the particular requirements of the individual insurer.

FORMS OF LIFE INSURANCE.

There are but two basic forms of Life Insurance—Term Insurance and Pure Endowment. The principle of the former is the payment of a certain amount at the death of the insured; of the latter, the payment at the end of a specified period provided the insured is living. The combination of these two forms in varying degrees produces the many standard forms of life insurance. The Whole Life contract is simply term insurance for the entire life expectancy and the insured is required to pay premiums as long as he lives. The Limited Payment Life policy is identical with the Whole Life, except that the insured commutes the payments that he would be called upon to make under a

Whole Life policy, undertaking instead to complete the purchase of the policy with a definite number of payments. An Endowment policy is a direct combination of Term insurance and Pure Endowment, and as a result provides for a certain amount either at the death of the insured or at the end of a specified period if the insured is then living. The Monthly Income policies differ only from the standard contracts in the manner of paying the claim. Such policies may be written on the life, limited payment life, or endowment plans.

THE PREMIUM—How It Is Constructed.

We will now analyze a Whole Life Participating premium at age thirty-three, using this as a medium for demonstrating why certain amounts are charged for Life Insurance and what becomes of the money. Our figures will be approximations and may vary a little from technical precision for the sake of readier understanding.

At the outset, let me ask you to bear constantly in mind that interest and the law of averages are the bases of all life insurance calculations and the effective factors in all life insurance results.

All practical working premiums are composed of three elements: Mortality, or cost arising from death losses during the year; Reserve, the portion set aside for future losses; and Loading or Expense fund. For the premium under consideration, as paid for the first year, the segregation of these various elements is as follows:

WHOLE LIFE ANNUAL DIVIDEND.

Age 33	Premium	$26.35
Mortality.....		$ 9.00
Reserve.....		11.00
Loading.....		6.00

THE MORTALITY CHARGE.

Life Insurance companies calculate their "expected" or mathematical mortality on certain statistics representing extensive experience. These tables may be relied upon to indicate the number of deaths at various ages which a well-managed company will need to provide for yearly. The actual experience may vary from the tabular figures in certain years or even constantly, but there will be an average correspondence in any short period, say eight years, and throughout the company's operation.

Let us assume a group of 1000 men, aged 33, as being insured for $1000 each. The American Experience Table of Mortality calls for 9 deaths per thousand per annum at that age, so that $9000 would be required to meet the claims, and a contribution of $9 from each man would furnish the necessary sum.

If the insurance were terminable at the end of the year, there would be no need to collect a greater amount. The mortality, however, is steadily increasing. Whilst $9000 would meet the death losses in the assumed group for the first year, it would require $15 per 1000 to do so in the twentieth year, and when the members had reached the age of 65, they would die at the rate of 40 per thousand.

This increase in mortality might be, and, indeed, sometimes has been, provided for by a gradually rising premium. The objections to such an arrangement are obvious.

The method in general practice is the Uniform Annual Premium system. Under this a certain premium is fixed for the age at entry, and the same amount is charged every year throughout the life of the insured. For instance, excluding the margin for expense, at age 33, the constant annual payment of $20 is equivalent to graduated payments

beginning with $9.00 and increasing yearly during the life of the insured.

THE RESERVE.

This $20 at 3 per cent. interest will amount to $20.60,—let us say, for the sake of convenience, $21,—at the end of the first year. Death losses will call for $9, leaving $12. Now, this $12 is the nucleus of a sinking fund which will provide for the continuously increasing cost of insurance. Each year the difference between the net premium of $20 and the amount of the tabular Mortality is set aside and constantly improved at interest. The fund thus created is called the Reserve.

The aggregate of policy Reserves represents the resource on which the Company depends to meet its contractual obligations. The maintenance of the Reserve with accrued interest constitutes a distinct liability,—is, in fact, a legal requirement. Its impairment would entail technical insolvency.

The Mortality and Loading elements of the premium being used annually in the discharge of current liabilities, the Reserve represents all the money standing to the credit of a policy,—with the possible exception of dividends, which we shall consider later. The Reserve provides the Loan and Surrender Values, pays the Endowment, purchases the Paid-up Policy, and aids in the discharge of Death Claims.

THE LOADING.

We have seen that $20 paid annually by a man entering at age 33, and corresponding sums by men of other ages, will suffice to meet all death losses as they occur. But this does not leave any money for Expenses, or for losses other than by death in accordance with the tabular expectation. It is necessary to add to the net premium a loading to

provide for expense of management, taxes, possible impairment of investments, etc.

The net premium is the result of mathematical calculation on exact data. The Loading is an arbitrary amount, but much the same with all companies.

The principle illustrated here in connection with the Whole Life policy is applied to all forms of insurance. Knowing the Level Premium necessary to be paid for life at a certain age, it is a simple calculation to arrive at the present worth of the future payments, and so fix the Single Premium. It is equally easy to equate these future payments into ten, fifteen, or twenty premiums. As a matter of fact, the Actuary first finds his Single Premium and makes it the basis for calculating other premiums.

The same principle applies to Endowment insurance. At age 33, the premium on a 20-year Endowment is $50.80. The Reserve is approximately $35. This Reserve, together with the amounts accumulated from the succeeding premiums, with 3 per cent. compound interest will amount to $1000 at the end of the endowment period.

THE PREMIUM—What Becomes of It.

Each policy account is kept separately and in detail. In the case which we are considering the first year's statement would reveal something like the following results:

Premium	$26.35	
Expenses at 15%	3.95	
Effective Premium	$22.40	
Interest for one year, assuming rate of 5%	1.12	
Accumulating Fund at end of year		$23.52

Accumulating Fund at end of year .		$23.52
Reserve at end of year.....	$11.85	
Mortality Cost, $8.62, assuming a saving of 15%.....	7.32	
Total amount demanded.....		$19.17
Balance.....		$ 4.35

It should be explained that the Expense element of the premium is abstracted from it at the beginning of the year. The amount in question is used to meet current expenditures, and interest is not calculated upon it. This item is necessarily much larger in the earlier years than later, owing to the expense of placing the business on the books. For the sake of convenience an average rate of 15% has been assumed and applied to both exhibits.

The elements of the Net Premium are separated and applied to their respective accounts at the end of the year, and after a full year's interest has been earned on them. Usually it is found that the actual Mortality experience does not call for the appropriation of the full amount charged for the purpose, and a balance is carried to the Surplus fund.

The next year's account would be similar except for the addition of the previous year's Reserve, making in all $11.85 and $22.40 or $34.25 at the beginning of the year to be placed at interest.

The amount at risk decreases in proportion to the growth of the Reserve, although the Mortality increases at the same time. Let us take the 20th year. The death-rate will be $15 per thousand, consequently the tabular Mortality cost will be $15 for one thousand of insurance. But each reserve fund has accumulated $306, so that the amount at risk is not $1000, but the difference between these amounts or $694. The individual contribution necessary to meet the death losses is not $15 but

$10.40, for if 15 die, involving a loss of $15,000, and each has a reserve of $306, aggregating $4590, the net loss is only $10,410. In the 20th year the policy account would be somewhat as follows:

Premium	$ 26.35	
Expense at 15%	3.95	
Effective Premium	$22.40	
Reserve from previous year	287.90	
Interest on $310.30 at 5%	15.52	$325.82
Mortality Cost	$10.68	
Reserve carried forward	306.33	$317.01
Balance		$ 8.81

THE SURPLUS.

Our two policy statements show that the insured paid $4.35 more than was necessary the first year and $8.81 in the 20th year, and of course, there was a varying excess through intermediate years.

If the company had realized exactly 3% on its invested assets; if the death losses had exactly corresponded with the mortality tables, and if the entire loading had been used yearly, the amount on hand at the end of each year would have been the aggregate Reserves with the accrued Interest. We have seen, however, that Interest earnings in excess of the calculated rate, gains from careful selection of risks and economy in management will create savings. The sum total of these savings is called the Surplus.

As the experience of the company in the matters of Mortality, Expense, and Interest are apt to vary, a portion of the earned Surplus is retained to provide for contingencies. The balance is divided among the policy-holders in the form of dividends.

In the case under consideration the Surplus the

first year is $4.35 and at the end of the 20th year $8.81. The company would pay dividends of about 16% and 34% respectively.

There are several ways of disposing of dividends. They may be:

(1) Applied in cash to reduce the succeeding premium.
(2) Left with the company to accumulate at Compound Interest.
(3) Used as a Single Premium to purchase Reversionary Additions.
(4) Employed to accelerate the Reserve accumulation, with a view to curtailing the premium-paying period.
(5) Retained by the company for a certain period, to be paid at the end of the stipulated time only in the event of the policy being in force.

The first-named option, although the least profitable to the policy-holder, is the most frequently exercised; the second is the same in effect as the fourth; the last—called the "deferred dividend system of distribution"—is virtually abolished.

To the man whose chief consideration is protection, the privilege of converting his dividends into Paid-up Insurance additions to his policy should be the most attractive. To illustrate the working of this method: Let us assume that our hypothetical policy-holder uses his first year's dividend—16% of the premium, $4.35, in this manner. At age 34, this amount will buy about $10 of Paid-up Insurance. In the event of his death in the following year, $1010 would be paid by the company. In the 20th year, when he is 54 years old, his dividend of $8.81 will purchase an addition of about $15 which, together with his former additions, will have grown to about $240. The Insured may at any time surrender these paid-up additions for their reserve value which is available to him in Cash in the same manner as is the Reserve Cash Value of his original policy.

Another way of looking at the advantage of allowing dividends to purchase paid-up additions to the policy is as follows:

Under a Twenty Payment Life policy issued at age 33 the contract would have a paid-up life insurance value in the seventeenth year of about $843. If the dividend apportioned under this policy had been allowed to purchase paid-up additions the sum of such additions would unquestionably by the end of the seventeenth year be sufficient when added to the paid-up value of the policy as stated to produce a total paid-up amount of $1000. In this way it may be considered that the premium-paying period is shortened three years, giving the insured a paid-up policy for the original face amount after the payment of seventeen premiums instead of twenty.

CHAPTER III.

STANDARD FORMS OF INSURANCE.

MOST life insurance policies combine the two elements of protection and investment. It is for each applicant to decide which of these is of greater value to him.

It is possible for the insured to secure either of these features without the other. He may take a Pure Endowment, which has no insurance element; or he may obtain a contract affording protection solely. An insurance company will undertake to pay a certain sum in the event of his death during a period of five, ten, fifteen, or twenty years, but to return nothing to him should he outlive the period. This is pure protection and is called Term Insurance. It is similar to fire insurance,—a specific payment to cover a specific risk, without any contingent benefit.

Ordinarily the Term policy provides for renewal, or extension over another period on the same conditions, except for an increased premium to correspond with the advanced age. The contract also usually includes the privilege of converting the Term policy, at any time, to some permanent form of insurance. The exercise of either of these options must involve a loss on account of the higher cost of insurance at the later age of the insured, unless a change is made to a policy of the same date as the original Term contract, and this generally necessitates the outlay of a considerable amount of money to cover the deficiency in back premiums.

Term insurance affords the greatest amount of

protection temporarily, for a given premium outlay. This is the sole advantage to be urged in its favor. It is the lowest in cost and also in serviceable qualities. Beyond a few years, say seven, it is the most expensive form of insurance, for the reason that the gross payments under it represent net cost, whereas, under a Life or Endowment policy the surrender value deducted from the aggregate premiums will reduce the net outlay to less than under the Term policy.

Term insurance is much in the nature of a makeshift. The cases are rare indeed in which it is to the best advantage of the insured to take it. Occasionally you will come in contact with a man who cannot pay for an adequate amount of protection under a higher premium. You should give him Term insurance, but keep closely in touch with him for the purpose of converting his policy as soon as possible.

In the majority of instances your prospect for Term insurance will be a business man who desires to cover some liability or protect himself against some contingency for a short period of time. Provided that he is **sure** that he will have no need for the insurance beyond seven years, let us say, the Term policy may be the most economical. However, experience proves that, in the majority of cases, the end of the calculated period finds the holder of the Term policy still in need of insurance and regretful that he did not take it on a permanent form. Furthermore, the possessor of a Term contract often wishes that he had paid a higher premium and thereby created a collateral value in his policy.

LIFE POLICIES.

The essential advantage of the Ordinary Life policy is that it affords to the insured the greatest amount of **permanent** protection for his outlay. At age thirty, a man may secure to his beneficiary

practically any sum by paying about 2 per cent. of it throughout his lifetime. If he should attempt to accomplish the same object by saving a similar sum annually, it would require the compound operation of ordinary bank interest during longer than thirty years with little more than an even chance of his living long enough.

The chief objection advanced against Whole Life insurance is the apparent necessity of continuing the payments during lifetime. This may be obviated by allowing the dividends to accumulate with the company. Under this condition an Ordinary Life policy, issued at age 30, should be paid up at about age 65, and in the event of premium payments being continued thereafter, should mature as an endowment between the ages 80 and 85.

The Ordinary Life policy is attractive to the poor man and the rich man; to the former, because it enables him to carry an amount of protection which he could not afford at a higher cost; to the latter, because he can turn his surplus money to better account than by investing it with an insurance company. In the middle class, between these extremes, the Twenty Payment Life is the most popular policy. It is free from the objection of continuous premium payments and involves a moderate degree of investment.

THE MONTHLY INCOME POLICY.

Since its introduction, about twenty years ago, the income policy in its various forms, has steadily grown in popularity. It is the most perfect form of protection conceivable, and, on this ground, appeals to all classes of men having dependents. Men of means will frequently take large policies on this form when they would not increase their insurance upon any other.

The man of moderate income will take a much larger policy of this kind than he will one payable

in a lump sum. Thousands of salaried men go through life without ever possessing $5000 at one time. It appears to them to be a handsome amount to leave to their families. To the same men, who have been accustomed to a monthly salary of $100 or $150, an income policy of $20 a month will seem pitifully small, but that is a liberal equivalent of $5000. In such cases the income policy may be sold in twice the amount of ordinary insurance that could be placed.

The arguments in favor of the Monthly Income policy are set forth in succeeding chapters.

THE ENDOWMENT POLICY.

When presenting Endowment insurance you are appealing to the Motive of Gain, or Selfishness. Your Canvass will consist of a showing of the benefits that will accrue to the Prospect, who is the contemplated beneficiary, the payment of a death claim under the contract being a secondary consideration.

Every application for insurance would be upon the Endowment plan, but for the comparatively high cost of this form. The sole obstruction to your proposition — the necessity for paying the premium—is greater in this case than in that of a Life policy. It is therefore more than ever to be urged that when you are trying to sell an Endowment, you keep the cost out of your statement until you have created the Desire. This is not at all difficult. In fact, a perfectly logical and lucid presentation of your proposition can be made without actually mentioning the premium until the close of it.

You expatiate upon the value of an Endowment policy as a medium for saving—the great advantage to a man in receiving say, $10,000 when experience and training have qualified him to make good use of the money. You will explain the Paid-up

Insurance option, using your Single Premium Table for the purpose, although the figures thus obtained will be somewhat too low. You will impress upon him that, through the exercise of this option, he may acquire an absolute estate of, say $25,000, which will cost nothing to maintain, and which cannot be impaired, unless he chooses to borrow upon it. Not one man in 100,000 is worth $25,000 clear at any time of his life.

You will draw attention to the Life Income option which may be the most attractive to him twenty years hence. Your Annuity Table will give you the income that the company will pay on a matured Endowment.

You will go on to show your Prospect that he will not tie his money up beyond control. After paying three premiums he can borrow 70% of his net payments; in the tenth year about 90%; in the fifteenth over 100%; and at the end of the term the company will return him 130% of all the money he has paid in premiums, in addition to having given him insurance for twenty years.

Now notice that you have not yet stated the Cost. You may do so at this stage, when the Cost will appear less formidable by reason of the alluring picture of the Returns.

A man will sometimes hesitate to take Endowment Insurance for fear that he may not be able to keep it up. This consideration should not weigh so heavily in the case of Endowment as in that of some less costly form of policy. The former is the easier to maintain in the event of monetary stringency, because of its greater Loan and Surrender Values.

The objection is sometimes raised that if a young man takes Endowment Insurance he will be incapable of carrying a considerable amount of protection when a later need arises. This contention is exactly contrary to the fact, as the following illustration demonstrates.

A man aged 25 takes $10,000—20 year Endowment policy, non-par, premium $416.00. At the end of ten years he desires, for the protection of dependents, the largest amount of insurance possible without increased expenditure. He ceases payments on the Endowment policy which is extended for ten years without premiums. The $416.00 thus made available is applied to the purchase at age 35 of $19,000 of non-participating Straight Life Insurance. During a period of ten years the insured is covered by $29,000 of insurance. At the end of 20 years his $10,000 Endowment policy expires and the Company pays him $4,800. With this money, applied as a single premium, he purchases at age 45, $10,000 of paid-up Life Insurance. And from that time on, by the continuation of the payment of the original outlay, that is to say $416.00, continues to enjoy protection to the extent of $29,000 during his life.

The Endowment is distinctly an investment, and a very good investment, at that. It is a fair assumption that the insurance element is worth to the insured all that he pays for it. If we deduct the Term premium for the corresponding period from the Endowment premium, the balance will show a high rate of compound interest in the returns. This is a perfectly logical manner of presenting the matter.

The opportunities for selling Monthly Income Endowment are greatly neglected. This is a form of investment insurance, which, when properly represented, is peculiarly attractive to professional men, teachers, and certain classes of salaried employees. There are in every large city, thousands of persons to whom this form of insurance can be sold more readily than any other.

Sufficient attention is not paid to long term Endowments. I strongly recommend you to

study the features of these carefully, comparing them with shorter term Limited Payment Life policies. The former exhibit the magic effects of Compound Interest, enabling the company to convert a small additional annual payment into a substantially larger return at the end of the period.

To illustrate the advantageous use you may make of the long term Endowment: As a rule it will be found easier to sell a Forty Year Endowment at a premium of $300 to a man aged 35, than a Whole Life at a premium of $279. In the former case you are offering a policy with materially greater current values and a definite termination. To the Love of Kin Motive, you are adding the appeal to Love of Gain.

Again; you have a Prospect aged 25, to whom you are suggesting a Twenty Payment Life at a cost of $312. It is highly probable that you could sell him a Thirty Year Endowment more readily and with greater satisfaction to himself. For the latter he will pay no more than $326.

On comparison you will see that there is no advantageous feature of the Twenty Payment Life which you will fail to find in the Endowment. The only objection that your Prospect can raise is against the longer term, but that may be easily disposed of. If he should desire to terminate his Endowment in twenty years, he may do so on terms more favorable than those of the alternative proposition.

You will find it profitable to make comparative analyses of these and other policies. The practice will promote a better knowledge of the forms examined and furnish you with many practical canvassing points. For example: In the course of such a study you will discover that a man aged fifty-five may secure a Twenty Year Endowment at a premium only slightly higher than that of a Whole Life policy. You will generally find that the former is the more attractive proposition to him.

CHAPTER IV.

SECURING AND APPROACHING PROSPECTS.

SECURING prospects, although a primary necessity in the work of a Life Insurance agent, is the least difficult phase of it. Any man of ordinary intelligence and **mental activity** may keep his supply of canvassing material constantly at high-water mark with little effort. When we consider that Life Insurance is almost a universal need, it does not appear that there can be any lack of persons favorable to an approach on the subject.

The fact remains, nevertheless, that many agents overlook the most obvious and ready sources of prospects. A single Sunday issue of any city paper will afford enough suggestions in this connection to keep the most active man busy for two months, or more. The agent who has one policy-holder possesses the nucleus of unlimited prospects. The registers of many highly successful solicitors show that each policy recorded was traceable to one previously placed. This kind of business represents the greatest returns for the energy expended. The smaller the circle in which you work, the greater the economy of effort.

If anyone doubts the plentifulness of prospects, let him make a straight canvass for seven hours of six days in succession. He will obtain enough material to supply him with sixty days' closing work. This is one of the most effective means of securing prospects. The degree of success attained will depend upon the temperament and qualifications of the agent. The man who is an adept at

Approach cannot adopt any better method of seeking prospects than the straight canvass.

Don't depend upon the lazy agent's prospect. He is everlastingly looking for the rare man who **wants** insurance. He is not a salesman. He is merely an order clerk. The manager can send one of the bookkeepers out to write a case of that sort. All you should look for in a prospect is a man reasonably likely to be interested in insurance. You are not half way efficient unless you have confidence in your ability to do the rest.

THE APPROACH.

Having marked a man as a likely prospect, the first step is to approach him. Before doing so, it is well to learn as much about him as you can. Any item of information, no matter how seemingly irrelevant, may aid you in the after canvass. The time spent in this preliminary effort must be regulated by the prospective profit in the case.

This preparatory inquiry is of the utmost importance. It should enable you to decide on the amount and kind of policy, as well as the **motive** to be played on. Not infrequently you will be in a position, from the knowledge secured beforehand, to prepare a clear-cut canvass and to present a definite proposition, distinctly adapted to the conditions of the case. This, in itself, will constitute a sufficient and business-like reason for your approach. It will flatter your prospect and excite his respect for you as a salesman. He will appreciate the fact that you have taken the trouble to gain the information necessary to the formation of a logical proposition. And he will readily concede a distinction between you and the haphazard agent, whose only excuse for calling upon him is that "he would like to sell him some insurance."

Now, as we prepare to confront our prospect some of us are beginning to feel anxious, nervous—and

even fearful. If that is your state, I say: "Don't let it discourage you." Self-confidence is a very valuable qualification for the salesman, but he may make a big success without it. One of the largest writers of Life Insurance in this country is painfully diffident after eight years of success. He finds difficulty in summoning courage to enter the office of a man with whom he has an appointment. His Approach is miserably weak and he needs to employ another to prepare prospects for him. But, once he enters upon his canvass, he is a veritable whirlwind. The man who pitied him for his bashfulness at the opening of the interview presently finds himself as a wisp of straw in his hands.

Intense interest in your proposition will banish self-consciousness and fear. Cultivate intensity and concentration. This will make your canvass forceful, no matter how halting may have been your Approach. Of the two, it were ten times more preferable to be a good closer than to be a good opener. You will probably gain self-confidence with increased efficiency, but never forget that you may become a star salesman and remain as diffident as a débutante. Many a promising man has abandoned the career of Life Insurance because he was persuaded that he could not succeed without Self-Assurance.

I have no thought of discounting the value of a pleasing personality, but it sinks into insignificance under a powerful presentation of a policy. Some of the most successful salesmen are positively repulsive in appearance. Not a few suffer from physical defects that are fearful handicaps. A man who was for years in the million-dollar class of Life Insurance producers exuded a disgusting odor from his person as a result of diabetes. He was keenly conscious of this disagreeable fact, but five minutes after he and a prospect were seated together both completely forgot everything but the proposition under consideration.

I have dwelt upon this point for the encouragement of any among you that may belong to the numerous class who are constitutionally diffident in approaching strangers. If you cannot overcome this difficulty, you may minimize its effect by strengthening yourself in the more important stages of the Canvass. If you lack skill in inserting the wedge, acquire force to drive it home. Thus, though your closing interviews may be comparatively few, your percentage of applications secured will be exceptionally high.

Any one of the many text-books on Life Insurance Salesmanship will give you a number of more or less trite suggestions bearing on the Approach. I will restrict myself to an explanation of the principles underlying this phase of the Canvass.

Getting in to see a prospect is largely a matter of knack. It is not sufficient to depend upon sheer nerve. That often leads to "butting in" and overlooks the fact that the main purpose is not to **see** the man but to **sell** him. You might enter a busy man's office by the window, but it is very doubtful whether you could place a policy with him after doing so.

Let us first consider the case of the man who comes out to **see you.** His very doing so betrays an intention to be rid of you there and then. If you are going to permit him to carry out his object, you had better not have wasted time on the call. This is the moment to measure your strength of purpose with his, and the result of this preliminary contest of will may exert a great influence in the ultimate outcome of your negotiations with him. If he has his way now, your entire purpose is hazarded, if not destroyed. If he yields to you, you have advanced a step in the path which you must pursue to secure his application.

I **will not** talk business to a man with a rail, or counter, much less a grating between us. Not to mention the principle which we have just dis-

cussed, the psychological effect of the physical barrier is too much of a disadvantage to me. Nor will I open a canvass on my feet. The position is too suggestive of quitting.

If a man meets me under any of these conditions, I say, in decisive tones: "I wish to speak to you on a matter of business, Mr. Smith. We will step back to your desk for a few minutes, if you please." At the same time I move in the desired direction, quietly going through the gate, if there is one, and offering my hand as I reach his side. The physical contact at that critical moment has a potent effect. Nine times out of ten my man will permit me to lead him to his office. If he persists in knowing my business I say that "I prefer to state it in private." This will seldom change his decision. When he repeats the question, I reply as pleasantly as possible: "You will pardon me, Mr. Smith, if I decline to deviate from my rule not to discuss my business under unfavorable conditions. It is too important, and experience has taught me that unless I may present my proposition to a man when he can give it his undivided attention, I am wasting his time and my own." With this I put on my hat and hand him my card. Now, it has frequently happened that just at this point the right kind of impression has been created, with the result that the man has said, "Come right in."

I cannot too strongly condemn the practice of trickery, equivocation, or deception in the effort to secure an interview. It is the poorest sort of introduction to a man whose confidence you must gain in order to do business with him. You cannot open your canvass under a worse condition than that of having a subject moved by anger, surprise, or disappointment, occasioned by your devious method of gaining entrance to his office.

PASSING THE BARRIERS.

Let us liken the Canvass to a tapering wedge with the application at the butt end of it. We must provide this instrument with a thin sharp edge, capable of being slipped into the narrowest crevice. This edge is the Approach.

In many cases the prospect has interposed a barrier between him and you, though not you any more than other unappointed visitors. This he has been obliged to do in self-protection, if he is a busy and successful man. It is just such men that you most desire to see, and you must devise means of inserting the thin end of your wedge under the barrier.

This barrier may be a rail, an office boy, secretary, or telephone operator. Whichever it be you must confront the obstacle with self-possession and the air of having important business with the man you seek. The very fact of its being important is sufficient reason for declining to disclose it to an employee. Tell him that pleasantly and **enlist** his aid in getting in. You can do this in a manner to flatter and gratify him:

"I am very anxious to see Mr. Blank for a few minutes. I am in somewhat of a hurry, but if you'll be kind enough to let me know as soon as he is disengaged I'll wait awhile. I shall be ever so much obliged to you." Deliver this with the most compelling smile at your command.

Now you have the young man interested in your effort. He has tacitly consented to do you a favor. Under such circumstances I have seen him jealously watching another man to see that he didn't get in before **his** visitor. When the coast is clear, he will either show you to your prospect's door, or inform the latter. "Mr. Doe has been waiting to see you, Sir." In either case you will probably go right in.

If, however, the clerk returns with an inquiry as

to your business, you are up against a hard case. To send in a card would be useless. You must resort to a note. What is the difference? A great deal—though I can't tell you exactly wherein it lies. The novelty and the personal touch count for something, but the main effect is unquestionably derived from the contents of the note. Thought will suggest innumerable forms. Essential qualities must be brevity and truth. You must be able to stand for every word in your note when you meet your prospect.

A highly successful salesman is quoted by "System" as using the following note or a variation of it, with the desired result in ninety per cent. of cases.

"Mr. Blank, a business card costs about one half cent. My time is worth fifteen cents a minute. But my proposition is so important, both to you and to me, that I can better afford to devote several minutes of my time to this note—and you will agree with me when you hear what I have to say."

The following is the substance of a note which I have used effectively in Wall Street on some of the busiest men in New York:

"Mr. Blank, my business is with you personally. I sincerely believe that it will interest you. At any rate, that is a point which you can decide in five minutes,—and I seriously doubt whether you can afford to forego that degree of investigation."

In such cases my cutting edge had to be unusually long, so that it would keep on driving in and enable me to create immediate interest. I had to make good on the "five minutes" proposition in my note.

These prospects were never approached without careful preparation. I was always well-informed as to my man's business and domestic affairs, and ready to make in three minutes some statement logically calculated to interest him in one or the

other connection and convince him that I had devoted mature thought to the matter.

The telephone operator is the most difficult barrier to pass. The man at the other end of the wire is sure to ask your business and you cannot employ the note. I resort to a scheme which converts this difficulty into something of an advantage.

When the girl turns with "Mr. Blank would like to know your business, please," I lean over the switchboard and say, so that my prospect may hear me, "Very well, kindly let me have that receiver one moment." Then I talk to my man and can generally gain his consent to see me. (This method was not practicable when the telephone girls wore a sort of electrocuting contrivance over their heads.)

Underlying all these suggestions are principles of psychology. We cannot examine them closely but it may be stated that your appeal for an interview must be based on one of four different grounds. They are: Personal Interest, Business Duty, Sense of Fairness or Sympathy, or Natural Instinct for choosing the easier of Two Courses.

I have given an illustration of the first in the case of the clerk whose interest you arouse. You may excite the Sense of Business Duty in the president of a corporation, to whom you wish to present a proposition for commercial insurance, by a note stating that you desire to see him on a matter concerning the stockholders of his company. The third ground may be taken with a busy prospect by conveying to him the impression that you too are busy and chary of wasting time. By puzzling your Prospect and exciting his curiosity you may induce him to decide that the easiest course is to see you. My Wall Street note was designed to appeal in some measure to each of these motives for acquiescence in my request for an interview.

CHAPTER V.

PRESENTING THE POLICY.

YOUR knowledge of the policies you have to sell must be thorough and the presentations flexible. You must be able to describe them, not only in the ordinary course, but from the middle, in either direction, and from the end backwards, if necessary. When you can do this, interruptions will not embarrass you. You will be able to break off in your Canvass to answer an inquiry, or discuss an objection, and readily return to the point of divergence and resume your explanation.

Your statement of a policy contract should be divided into definite sections, logically connected, but separable, so that you may present them in varying sequence and expatiate on one, whilst you pass lightly over another, as the conditions of the case in hand demand.

The policy should be as a lump of plastic clay in your hands, so that, without changing its essential composition, you can make it assume whatever form you desire,—protection for dependents, provision for old age, security for the business man, saving for the salaried employee, and so forth. You must be able to present the same policy in half a dozen different aspects to as many prospects. It will be the same policy and the same canvass, but the presentation and the appeal will differ with the prospect.

When you have acquired this facility, your Canvass will be neither haphazard nor stereotyped. Your talk will not be a dull monotonous recital, calculated to hypnotize yourself and put your

prospect to sleep. Instead of drowsing through your proposition you will present it in a lively fashion and with wits alert. Your story, although the same in substance, will sound different from that which your prospect has heard from a dozen other agents.

Did you ever mark the contrast between an extemporary prayer and one which was part of a regular church service? In the latter case, preacher and congregation go through almost automatic processes, the one in speaking and the others in following him. The former case demands mental activity on the part of the speaker and the hearers. The prescribed prayer is the smoother in delivery, but the extemporaneous prayer is the more forceful. Such is the difference between the routine canvass and the flexible canvass.

A simple division of the policy statement is into four sections: 1. **Principal Benefit. 2. Secondary Benefits. 3. Contingent Benefits. 4. Kind, Cost, and Returns.** (I may disclaim, in passing, any attempt at precision in phraseology. The main object is to secure distinctive terms.)

In the study and analysis of a policy contract, adopt this subdivision. Assemble the different features under the appropriate headings. Do this on paper until, in a mental survey of the policy, each element falls into its proper place, without effort on your part. Then you will be capable of a flexible canvass. You will be able to transpose these sections in any manner, without the least confusion or impairment of the clear-cut quality of your statement.

In the above enumeration the sections are given in the logical sequence. This may conflict with your present idea, but a little thought will induce you to agree with me. Probably you commence your Canvass with a statement of the premium, and then go on to an explanation of the surrender values. You do this because the policy statement

is so arranged in your rate book and you have learned it by rote.

Now, the effect of your method is to produce in your prospect's mind an adverse attitude at the outset. You open up by confronting him with the one difficulty which stands in the way of his accepting your offer and you do this before you have put forward your proposition. Then you go on to suggest the possibility of **failure to complete the contract.** You talk about surrendering a thing of which your man has not yet begun to seriously consider the possession.

If you were trying to dissuade your prospect, this would be the best way to go about it. These are precisely the features of the policy—cost and surrender—that a man's wife or friend dilates upon, when endeavoring to deter him from taking it. Your object is to Create Desire. Therefore **present the benefits first of all.** For my part, I seldom mention the surrender conditions, nor allow any word synonymous with "lapse" to enter into my Canvass. I do, however, draw attention to the loan privilege. Leave the matter of the cost to the last and then **rivet it to the settlement.** Never let the former appear in your prospect's mind, except with the other as an accompaniment. It is not difficult to accomplish this. When you state the premium, write down beside it, in good bold figures, the ultimate returns. Make the point more impressive by repeating it again on paper in the form of a percentage.

Now let us return to the sections of our policy presentation, and examine their component parts.

PRINCIPAL BENEFIT. This represents the chief purpose of the insured. It is covered by the main provision of the contract. It is either indemnity or endowment. Under any of the various forms of life policies, the principal benefit is Death Indemnity payable in a specific sum, or as an income, to a designated beneficiary. Under

the different endowment policies, the principal benefit is the payment of a certain amount, or income to the insured.

SECONDARY BENEFITS. This section embraces any extraneous features that may be attached to the policy, such as Total Disability, Accident and Health Insurance. These are distinctly benefits to the insured.

CONTINGENT BENEFITS. These are the Loan and Surrender Values. They may be likened to the life-boats on board a ship. One enjoys a comfortable knowledge of their presence against emergency, but does not care to indulge in lengthy contemplation of their purpose.

KIND, COST, AND RETURNS. Here we group the technical description of the Policy, the Premium, Dividends, and Options of Settlement.

To illustrate: Twenty-Payment Life, Participating, $10,000. Premium $378. Twentieth year $10,000 Paid-up Policy, or $6660 in cash. Dividends from 10 to 40 per cent. averaging 25 per cent.

You amplify this bald statement by showing your prospect that, at age 55, he may secure paid-up insurance to the amount of $1.80 for every dollar he has deposited with the company. Or, he may take a cash settlement, in which case, after having enjoyed twenty years' protection, he will receive considerably more than the aggregate of his net payments to the company.

Now let me draw your attention to the variation in importance of the several sections. When you are selling an Income Policy, Section Number Four is of the least consequence; when you are selling a Life Policy it is a secondary consideration; when you are selling an Endowment it is the matter of chief concern. If you are talking to a man whose salary is dependent on his continuous service, or to a professional man, whose income is contingent on his activity, you should expatiate upon the

valuable safeguards provided by Number Two. If your prospect is considering a Monthly Income Policy, dwell upon Number One,—the primary purpose and the perfect provision made for its attainment. In a case of Business Insurance, Number Three, in so far as it relates to the value of the policy as collateral security and the creation of a sinking fund, will loom large in your Canvass. I must leave you to think out for yourselves other applications of the principle which I have been trying to explain to you. I will suggest that you take for your subjects in this practice, prospects whom you already have in hand. In time, and before long, you will approach each prospect with a definite idea of the particular kind of Canvass which you are going to bring to bear upon him. Your final decision in this matter will be controlled by the Motive to which you purpose appealing.

Allow me to pause for a few moments to interject a caution. Don't become mentally muscle-bound. These instructions are worth less than nothing unless they can be reduced to the most effective practice. I am going to state the principal motives which influence men to take insurance. I am going to urge you to look for the **dominant motive** in your prospect. But don't forget that all this is merely the **means** to securing applications. Don't let science blind you to sense. If you can close a man who has no apparent motive or reason for taking insurance, let the system go. Close him, and satisfy your curiosity after you have delivered the policy.

I remember a remarkably glib book salesman happening along with a publication which I had determined to buy on the first opportunity. He had hardly started his Canvass when I agreed to purchase the work. This evidently disappointed him. Instead of producing the order blank he resumed his talk. I insisted on closing the transaction. He complied, of course, but he was clearly

aggrieved. We were not acting according to Hoyle. I ought to have allowed him to show me the various features of the work and to make his verbal presentation of its merits. As a matter of fact, he only escaped spoiling the sale, because I was strongly desirous of possessing the book.

Let me impress upon you, then, that you are learning and will practice the science of salesmanship for the sole purpose of securing business. It is valuable to you in so far as it may be made to serve that purpose and no more. As an abstract study it is not worth the price of a bag of peanuts to you. It will make your work more interesting, but see to it that your interest is not centered in the theory b ıt in the application of it.

You will find that the principal motives that prompt men to take insurance may be grouped under the following heads:

1. Love of Kin. 2. Desire for Gain. 3. Prudence. 4. Desire for Utility. 5. Satisfaction of Pride.

Seldom is a man moved by one of these influences solely, but in the majority of instances, one of them predominates over all other considerations for his action. Now, the usual set Canvass, with its uniform policy presentation, is an appeal to all these motives in general, and none in particular. It is spreading the jam too thinly to create a taste. In most cases preliminary inquiry, or tactful questioning of the Prospect, will direct you to the Motive, which is most likely to actuate him. You must concentrate on this, advancing such arguments and presenting such features of the policy as are calculated to stimulate the motive in question.

Let us review our classification. You are working on a man who cherishes his family above all things. You offer a Monthly Income Policy and dwell upon the completeness and security of its protection. You are appealing to his Love of

Kin, but you should not make the same Canvass in the case of a man whose chief characteristic is selfishness, or Desire for Gain. You would present some endowment form to him, expatiating on the prospective benefits to himself, and hardly mentioning Death Indemnity. Your prospect is a provident man and habitually foresighted. You would appeal to his Prudence by emphasizing the advantage of a policy as a medium of saving. The Desire for Utility is a frequent Motive in Commercial Insurance. It leads a man to take insurance for the security of creditors and the benefit of executors. It induces a speculator and frequent borrower to carry policies for their collateral value. When Desire for Utility is the Motive, Section Number Three of your policy presentation comes into play. You enlarge upon the Loan value; you draw attention to the effect of insurance in the enhancement of credit; you point out the maximum rate of interest on loans and compare it with the rates usually current in periods of monetary stringency.

It is astonishing how often Satisfaction of Pride is the prevailing Motive. Many large applications are secured by an appeal to it. We all know the influence of a list of prominent policy-holders, or the effect upon his neighbor of a man taking out a policy.

CHAPTER VI.

PREPARING THE CANVASS.

ONLY the haphazard salesman jumps the track, or gets stalled. The man who has a definite plan and a prearranged Canvass may be opposed, contradicted, interrupted, and otherwise interfered with, but he will stick to the line and keep moving toward the terminus.

In his progress it is necessary to take the prospect with him. This can be done only by inducing the prospect to think certain thoughts which shall carry him through the stages of Desire, Willingness, and Resolve.

If the attempt to create this course of reflection is based upon general arguments and stereotyped statements, some of the agent's suggestions are apt to be weak, if not positive misfits.

A Canvass based on a pre-acquired knowledge of the prospect's condition, and designed to stimulate a certain Motive will bring forth a Policy Presentation and arguments logically applicable to the particular case. Such a Canvass has the double effect of Impressing the prospect and inspiring the agent with Confidence.

This is scientific salesmanship—the application of commonsense principles to the task in hand. The agent who employs such methods will sell more Life Insurance than another of greater natural ability, who makes his Canvass in a haphazard manner.

Let us assume that you have a prospect upon

whom you purpose calling, or with whom you have already an appointment. You are in possession of as much information about him as you can secure. (Don't treat anything relative to your prospect as unimportant. The fact that he plays the flute may be turned to account in your Canvass.)

You set about preparing a definite Canvass for this particular Prospect, beginning by jotting down your data, somewhat in the following form:

Prospect, John Doe.

Superintendent Cole Auto Co., Salary $4500.

Born Dec. 16, 1871. Age 42. Change June 16.

Widower. Two children. Son 20 years, self-supporting. Daughter 18 years, at private academy.

Carries $12,000 Life and $10,000 Accident Insurance. Lives carefully; said to be saving about $1500 a year. Dotes on daughter and proud of son. Member of Jonathan and Country Clubs. Hobbies, botany and local history. Close friend of Richard Roe, who carries $25,000 with our Company.

Your next step is to consider that data carefully and to decide on the form of policy best adapted to a man in these circumstances.

Our illustration involves an obvious case. Our man has enough insurance to settle his affairs at death and to leave a few thousand dollars to each of his children. His son will be able to take care of himself—**but there is not adequate provision for the daughter.**

The Monthly Income Policy is clearly indicated. As to form and amount, a man who is saving $1500 a year can well afford six units—that is to say, $60 a month — on the Twenty Payment Life Plan.

Your next move is the preparation of your Policy Presentation which you will map out in the following manner:

Section 1 Principal Benefit.	Section 2 Secondary Benefits.	Section 3 Contingent Benefits.	Section 4 Kind, Cost, Etc.
Life Income to Daughter $60 a Month	Total Permanent Disability	Loan Values 3d yr. . .$ 522 5th " . . 1092 10th " . . 2688 15th " . . 4547 20th " . . 6804 From 40% to about 75%	20-Pay Mo. Inc. $14,400 $60 Monthly Premium $463.80.

Note. We are using a Non-participating Premium in this case.

Now you proceed to jot down the heads of your arguments, having decided that you are going to make your Canvass mainly, if not entirely, on the **perfect protection and the low cost as compared with the benefit.** Your memoranda will assume something of the following form.

Protection perfect. Daughter absolutely assured of income for life. Contract creates trust in hands of one of the strongest financial institutions in the country. Income cannot be sold, hypothecated, nor impaired in any way.

To secure same protection otherwise, would be necessary to bequeath sum of $18,000 assuming 4% might be earned on it continuously. Executors may die, fail in judgment, or prove derelict. In any case they must make charge for their services.

Beneficiary's present expectation of life 44 years. After Prospect has exhausted his expectation she will still have 25 years, but annuitants are notably more than ordinarily long-lived.

In consideration of Prospect paying $463 a year for maximum period of 20 years—he may make but one payment—Company undertakes to pay his beneficiary $720 a year for minimum period of 20

years and as much longer as she lives, which may be 60 years or more. To repeat: Prospect pays trifle more than 3% of $14,400 for 20 years at utmost. Company pays 5% of same amount for 20 years at least.

Now write out your Canvass, adding any special arguments that may occur to you. Memorize it, but do not attempt to learn it by rote. Put it aside for future use. Make memoranda on the back of a card of the principal figures, if necessary. It is better to talk entirely from memory and this you will be able to do with a little practice.

Each of the first Canvasses prepared in this manner may occupy two or three hours' time. When you have been through the process a dozen times you will be in possession of the skeleton frameworks for all the usual policy forms and will have acquired facility in modifying them to fit individual cases.

You should not begrudge the time and trouble spent in this direction. With such a Canvass, you may reasonably expect to close one in every three men upon whom you make the attempt. Your present average is probably one in every fifteen or twenty. It is much less laborious and much more effective to do your work thoroughly and properly than it is to do it superficially and in slovenly fashion.

The assembled memoranda consist of data relating to your prospect, the salient points of the policy you decide to be best adapted to his requirements, and a brief summary of arguments to support your proposition.

The preparatory Canvass constructed from this material should be as brief and clear as you can make it, consistent with comprehensive statement. Bear in mind that verbosity is not the object, but clarity and logic.

In composing this Canvass, have in mind the three stages of mental evolution, which you must

induce in your prospect,—**Desire, Willingness, and Resolve.** This consideration will lead to dividing your Canvass into three sections. These will be: (1) the Presentation of the Benefits; (2) a Statement of the Comparatively Low Cost; and (3) a Strong Closing Argument.

The Motive to be stimulated in this case is evidently Love of Kin. You will play upon it throughout your Canvass avoiding any suggestion that might divert your Prospect's thought from that Motive, and, therefore, ignoring Sections 2 and 3 of the policy subdivisions.

When you have completed it, after three or four drafts, if necessary, your Canvass should be somewhat like the following.

"Mr. Doe, I am taking it for granted that your son will fulfill his early promise of success in business, and that he will be able to take care of himself in the future. The proposition I have prepared for you relates exclusively to your daughter. I am going to show you a safe and economical method of providing her with an income of sixty dollars a month from the time of your death to the time of her death.

"The kind of policy I have in mind affords the MOST PERFECT PROTECTION POSSIBLE and for that reason a greater number of business men are nowadays insuring under this form than under all the other forms of insurance combined. A Monthly Income Policy renders assurance doubly sure by guaranteeing that the provision which you make for your daughter will be effective, NOT ONLY IMMEDIATELY AFTER YOUR DEATH, BUT AS LONG AS SHE LIVES.

"You may, like many another man, have felt some uneasiness as to the ultimate disposition of the money which you intend to leave. We all know that women are commonly careless in money matters. They must depend upon the advice of others in making investments. Their inexperience

renders them peculiarly liable to mistakes, with consequent loss. It is quite likely that some such considerations have caused you concern for the welfare of your daughter, after she shall have lost the benefit of your care and advice.

"The form of insurance of which I am speaking removes all such anxiety. The death claim is paid as an income throughout the life of the beneficiary. THE CONTRACT CREATES AN ABSOLUTE TRUST in the hands of one of the strongest and most conservative institutions in the country. The income cannot be lost, sold, encumbered, or disposed of in any but the manner agreed upon between you and the company. The money you design for the support of your daughter cannot possibly be diverted from its purpose. The necessity of investment and the risk of loss are entirely obviated. In short, you are enabled, through the medium of a policy of this kind, to carry the care which you exercise for your daughter during your lifetime, beyond your death and to extend it through her lifetime.

"It is safe to say that you could not accomplish the same object in any other way, except at considerably greater expense. Suppose that you should provide an income of $60 a month or $720 a year, by a four per cent. yield from $18,000. This is a sum nearly twice as great as my company requires, even though you live to completely pay up your policy. Besides are you sure that the $18,000 investment is going to remain intact and without depreciation? Executors may die, fail in judgment, or prove derelict. Even a husband is not always the best curator of his wife's property. Then, what institution will guarantee four per cent. for an indefinite term of years? Your daughter's present expectation of life is forty-four years, and even after you have exhausted your expectation, the tables give her twenty-five years.

"As a matter of fact, Mr. Doe, you can't do

it. If you attempt to provide for your daughter with a safe and fixed life income, independently of a life insurance company, it will cost you considerably more than twice as much as by the means I am urging upon you.

"Now let us see what my company has to offer you. We will give you a policy of $14,400 on the Monthly Income plan at a cost of $463.80 annually for twenty years, when it will be paid up. The contract guarantees the payment to your daughter of $60 at your death and a like amount every month thereafter as long as she lives. Should she die before receiving 240 instalments, the balance, or their lump sum equivalent, will be paid to her heirs. In any event the face amount of the policy will be disbursed.

"Let me put the proposition in another way. In consideration of your paying to the company $463, for a MAXIMUM PERIOD OF TWENTY YEARS (you may, of course, pay no more than one premium), the company agrees to pay to your beneficiary $720 a year for a MINIMUM PERIOD OF TWENTY YEARS and as much longer as she may live."

"Or, suppose that we look at it in another light. You pay to the company a trifle more than three per cent. of $14,400 for TWENTY YEARS AT THE MOST, and the company pays to your beneficiary five per cent. of the same sum for NOT LESS THAN TWENTY YEARS and possibly for fifty.

(Here you start to close.)

"It is a splendid investment any way you look at it, but that is of less account than the ABSOLUTE CERTAINTY OF THE PROVISION for your little girl, whose welfare is of more concern to you than anything in life.

"Mr. Doe, if our strongest trust company should say to you: 'What will you pay us to assure your daughter of a comfortable income during her lifetime,—of a sufficient sum, paid regularly and cer-

tainly, to guard her against any possibility of need or discomfort?' You would reply, 'Almost anything. The price could hardly be too great.'

"But that is precisely what our company, which is stronger than our strongest trust company, does offer to do for you, and it undertakes to guarantee this great benefit at a cost of not more than $463 a year. When you have made the first payment you will be assured that should you be cut off the day after, or the next week, your child's material welfare will be placed beyond the range of doubt or misfortune. You can enjoy the comfortable assurance that as long as she may live she will receive a monthly reminder of her father's forethought and care for her.

"There is only one other proviso,—that you shall pass a satisfactory medical examination. I don't doubt that you can do so. At any rate we may settle that question within the hour. With your permission I will telephone to our examiner as soon as we have filled out your application."

You will notice that several features of the policy have not been mentioned, but enough has been said to sell it in the majority of cases. Let the prospect raise other points if he desires. I have taken many applications for this kind of insurance without reference to the minimum payments guaranteed, until the delivery of the policy, and then pleased the purchaser by showing him that he had bought more than he realized.

The arrangement of this Canvass is designed to promote particular purposes which will be pointed out in the discussion of closing.

We must assume that you will formulate well-defined Policy Presentations for at least the standard forms of contract. You will rehearse these until the various features automatically group themselves in their appropriate sections. You will study these sections and their composite parts, so that you can readily decide which of them will bear with greatest

force on certain persons, and which are best calculated to stimulate certain Motives.

Now, as you acquire the degree of facility in question with regard to three or four policy forms, you come into possession of the skeletons, or frameworks, of as many Canvasses. You will build about these foundations general and specific arguments. For instance, your presentation of Section No. 1 must be supported by a strong statement of the duty of providing for dependents, or the value of provision for the future. You should gather from an accident salesman some of his strongest points for use in connection with your Section No. 2, and so on.

In order to keep your Canvass fresh and lively you must make constant alterations in the clothing of your skeleton. The garments will always be the same in their essential character, coat, vest, breeches, and the rest, but you should possess plenty of material to change the aspect more or less. Vary the color of the cravat, the pattern of the shirt, the cut of the coat, and so forth.

Store up a stock of arguments. Make a practice of thinking out new ones. You will form the habit of carefully preparing a special Canvass for each prearranged closing interview. When you do so, you must consider fresh arguments particularly adapted to the case in hand. These should be strengthened by illustrations drawn from the business of your Prospect. You will find it a most effective practice to use the terms in which the man is accustomed to speak and think in his everyday work.

CHAPTER VII.

CLOSING.

CLOSING is the most critical part of the Canvass, but let me impress upon you that every phase of your project, from the preparatory stage onwards, is highly important and has its influence upon your final effort. Whether you Close or fail to Close, will depend on your Efficiency, or lack of it, in the consecutive steps leading up to the application form.

Now, let us assume that you are about to open a Canvass. An interview has been afforded you for the specific purpose of talking insurance. This interview is yours. You have a right to control its course, and unless you do so, a successful result is improbable. You start with a definite goal in sight and with a definite path leading to it. You and your Prospect must travel this road together. It is absolutely necessary that you keep him to it. I do not mean to say that you should not give him ample opportunity to talk to the point. What I mean is that you must not allow him to make excursions into the field of subjects foreign to the business in hand. If he attempts to do so, it is the clearest evidence that your proposition is not the most interesting matter before his mind at the moment and it must be that if you are to secure his application.

Nothing will help more in keeping control of an interview than having a clear-cut idea of the Motive to which you are appealing, and consequently of the thoughts that ought to be running through the Prospect's mind whilst you are speak-

ing. He must be induced to mingle his interest with yours. You and your Prospect must forget each other and become thoroughly absorbed in the proposition under consideration. Your thought and his must run along the same line and in the same direction.

Under such conditions it will not be difficult to prompt your Prospect by suggestion, to voice some of the arguments which you desire to advance. The most masterly Canvass is one in which the Prospect is made to "write himself," as the saying is, and led to believe that he has made his decision by the independent exercise of his judgment.

You must be prepared to put teeth into your talk on occasion. You will not, of course, be rude or tactless, but do not hesitate to express yourself strongly when there are just grounds for doing so. A great deal of failure is due to an over-desire to please, and a corresponding fear of saying anything that may in the least jar on the Prospect's sensibilities. Bear in mind that you and your Prospect are two business men meeting on equal terms to discuss a matter of importance to both of you. You have a perfect right to express yourself freely and strongly. Your Prospect will undoubtedly respect you for doing so.

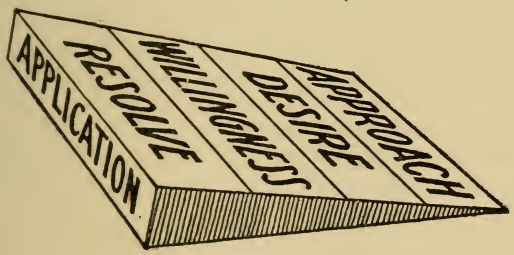
Too many agents have an idea that three or four interviews should be devoted to a case. They work on the principle of securing a gradually cumulative effect, which is the most difficult method of writing insurance. When you have said all that is necessary about your Proposition and have given your Prospect ample opportunity to say all that he may desire, there is nothing more to be done but to write the application. If this essential talk on both sides is accomplished at one interview, then the case should be closed without another. Whenever you open a Canvass, do so with the thought in mind of getting the application at that sitting.

We have likened the Canvass to a wedge with the Approach at the thin end and the Application at the butt.

Your constant purpose throughout the interview is to drive this wedge completely home. In order to do so you must create in your Prospect's mind a favorable attitude toward your proposition,—but this is by no means enough.

You may excite Desire and still be far from the accomplishment of your object. You may develop Desire into Willingness and even then you will not have reached the goal. Willingness must be capped by Resolve.

Desire, Willingness, and Resolve. These are the stages of mental evolution in a successful Canvass.



You will readily perceive the distinction between these conditions. A man may desire to possess a thing which he is quite unwilling to purchase. Or, he may be willing to buy and lack the resolution to do so.

It requires no special ability to bring a Prospect to the stage of Desire. Carrying him forward to the condition of Resolve is the most difficult phase of the Life Insurance agent's work. It is Closing.

This is the critical point of the Canvass. It is the point at which Efficiency, or its absence, is most conspicuous. The good Closer converts Desire into Resolve, when the poor closer is satisfied with a promise which is seldom fulfilled.

The prevailing Motive creates the Willingness, and the same medium must be employed in clinching the Resolve. Expert salesmen reserve one or more of their strongest arguments for this purpose, to be used in drawing the Prospect across the narrow gap that lies between Willingness and Resolve.

Closing being the climax of the Canvass, it stands to reason that the effect of the effort to close will depend largely upon the degree of efficiency which has been exercised in the preceding stages of the Canvass. It is much less difficult to map out a definite course and method to be employed in the earlier stages than it is to give precise directions for the Closing. Without doubt, Closing may be justly described as an art, but there is a great deal of knack in it, and the character of the latter will vary with the individual. An adept closer can tell you the principles on which he proceeds, but he can never exactly describe the little knacks which he uses as lubricants to facilitate the insertion of the thick end of the wedge. These are applications of psychological laws which he employs unconsciously, or, at least, without clear definition of them in his mind. They are the outcome of experience and observation, to which sources the novice must resort for the acquisition of them.

Fear of Failure is the most prolific cause of Failure. On the other hand, the agent who enters upon a Closing effort confident of Success has more than half succeeded. Nothing will breed Confidence more surely than Preparation. Consciousness of Efficiency and a thoroughly prepared Canvass must inspire you with a strong sense of superiority in the contest with your Prospect.

Only a small proportion of men are of the positive type. The great majority allow others to influence most of their decisions. Few are independent in thought. Seven in ten are deficient in backbone. In the ultimate analysis, most closes represent the submission of the weaker.

In the specimen Canvass which has been given to you, Section One, the main purpose, was used to excite Desire. Section Four, the comparatively low cost, we employed to induce Willingness. Then, in attempting to close by arousing Resolve, we swung round to the main purpose again. And this will be the course of most successful Canvasses.

You noticed that we merged from one stage into the next without a break, or abrupt change of direction. This is an important matter. There will be divergencies in every Canvass. In making them avoid sharp angles and adopt curves. The Prospect's mind conforms to the latter without conscious effort, but the former give him a mental jolt and often disturb the effect which you have previously made.

When you enter upon the closing stage of your Canvass, choose your words carefully. Be cautious, terse, and deliberate in your utterances. Avoid saying too much. The Canvass which is completed in the fewest words will almost invariably leave the strongest impression on the Prospect. Reiteration and amplification are apt to weaken effect. A point is best made in a statement expressed in a few well-selected words, and followed by a pause to allow it to sink in. Your constant object is to stimulate your Prospect's thought. Then give him time to think. The frequent pauses in a strong Canvass are the most eloquent portions of it.

Through the earlier course of the Canvass you have led your Prospect along until he reaches the boundary of Willingness. Then he is confronted by the gap that divides him from Resolve,—just

a three-foot ditch; no more than one good stride. Now you get behind him and push,—not suddenly, but firmly and steadily. At this point he must not be allowed to step back one inch.

Did you ever handle a horse that was inclined to refuse? You didn't **force** him at the jump, but just held his head to it. So it is with your Prospect. If you keep him, head on, at the edge of the ditch which divides Willingness and Resolve, without relaxing your pressure, he is bound to go over.

But, if your horse balks when he ought to rise and turns sharp round, you don't pull him back to the jump immediately. You let him have his way for the moment and canter across the field for a few hundred yards, circling so as to bring him up to his fence again when he has had time to get over his nervousness.

This is the manner in which you must treat your Prospect if he breaks out of hand when you are making a strong effort to Close. Abate your earnestness, slacken your pressure, begin to gather your papers together, give him the impression that you are about to abandon the effort. Then, when he is once more at ease, gradually draw in the bridle, regain control over him, and try it again.

There is a current fallacy that only one favorable opportunity to Close will occur in an interview. This is responsible for much premature quitting. If you have actually got your Prospect to the state of Willingness, he should be closed before you leave him. It may take two or three efforts to do this, but each effort, if well directed, will bring you nearer to the object.

You should be sure that you have your Prospect in the right condition of mind before you seriously attempt to close him. You may test the matter by a kind of feint, or tryout, but this requires uncommon dexterity to avoid a bad effect. You must be prepared, in case your advance proves premature, to slip back into your Canvass with the

promptness and smoothness of a snail into its shell. Once, however, having entered upon a serious closing effort, stick to it, with the determination of settling the matter at that interview. It is safe to say that a more favorable opportunity will never arise.

CHAPTER VIII.

COMMERCIAL LIFE INSURANCE.

THE latter-day tendency of commercial practice is to throw every available safeguard around business enterprises. Speculative elements are eliminated or reduced to a minimum. Conservatism is the prevailing policy. Deferred liabilities are anticipated by timely reserves, and provision is made for adverse contingencies.

It has been found by experience that all these buttresses of the business world may be most certainly and economically erected on the foundation of insurance in various forms. Thus the conservative concern of to-day protects itself with fire, burglar, employer's liability, credit, indemnity, and, perhaps, other kinds of policies.

The primary purpose of any sort of insurance is to furnish compensation for the loss of a valuable asset. Strangely enough, business houses insured against the less serious and more reparable class of casualties for long before they awoke to the effectiveness of life insurance as a protection against what is frequently the greatest mishap that may befall a corporation or firm. In recent years, however, the value of this new factor in business conservation has met with such wide appreciation as to justify the prediction that the day is approaching when commercial life insurance will be as widely carried as commercial fire insurance now is.

PURPOSES OF BUSINESS INSURANCE.

Commercial Life Insurance is both a conserving and a developing agency. It conserves by introduc-

ing an element of safety and reserve. It develops by affording capital and credit. Indirectly, but quite effectively, it embraces domestic insurance. The preservation of the business entails the welfare of the employer's home, and probably of the homes of those who work for him.

Business insurance is applicable with equal efficacy to the affairs of corporations, firms, and individuals. In either case it affords the most economical and practical means of providing against unfavorable developments. It is a certain way of forestalling uncertain events.

The purposes which life insurance may be made to serve in the conduct of business organizations are so numerous and varied that only a few of the most obvious may be mentioned. Newly organized and young companies are naturally those most in need of protection against mishaps, but many of the largest and most firmly established concerns in this country carry heavy lines of commercial life insurance.

It is now common practice among corporations to insure the life of an officer upon whom, by reason of his business talent, or technical knowledge, the prosperity of the company largely depends;

Or an officer, upon whom, on account of his executive ability or financial standing, the banking credit of the company rests;

Or an employee, whose position in the event of his death, it would be unusually difficult to fill.

It is not infrequently the case that one man is so vital a factor in the successful conduct of a corporation that his premature death would derange organization, impair credit, decrease efficiency of operation, mar the company's prospects, and injure its standing with the public. The payment of a substantial cash indemnity would minimize these conditions and put the corporation in a position to repair the effects of the loss.

Endowment insurance is taken by corporations

for the purpose of creating sinking funds for the retirement of bonds, to meet the depreciation of plant, to strengthen the company under changed conditions resulting from termination of patents, franchises, leases, and various long-time contracts.

Business insurance serves to protect minority stockholders, against the premature death of a man holding a preponderating interest in the corporation. In close corporations it is frequently employed to provide for the purchase of the stock of a deceased associate, and so prevent its falling into undesirable hands.

BUSINESS INSURANCE—THE SILENT PARTNER.

Life insurance is even more essential as a safeguard to partnerships than to corporations. Associations of the former character frequently fail, or retire from business upon the death of one member. This because his knowledge or ability was the mainstay of the concern; or because his financial worth was the basis of its credit; or because his estate demanded a cash settlement which crippled its resources.

In the first case the proceeds of an insurance policy would greatly lessen the difficulty of securing a satisfactory successor; in the second, it would counteract the effect of the loss by enlarging the financial resources; in the third, it would enable the liability to be discharged without impairment to the working capital.

Business insurance is much more necessary to the small firm than to the larger one. Many such concerns are run on the narrowest margin of capital. The slightest shrinkage of this generally entails disaster. The records of commercial agencies show that nearly thirty per cent. of failures among co-partnerships are due to death for which no provision has been made.

The credit of a small firm is generally precarious

and often restricted; its capacity for expansion is limited; its future prosperity frequently depends upon a continuance of uniformly favorable circumstances. Under any or all of these conditions, life insurance will act in mitigation or prevention of loss.

BUSINESS INSURANCE FOR THE INDIVIDUAL.

There are many ways in which life insurance will serve the business needs of the individual more effectively than any other agency. A few of these only may be mentioned:

To furnish his executors with ready cash for the settlement of and administration of his estate, and so preclude the necessity of sacrificing property in a forced market.

To provide the money requisite to meet the inheritance tax. A fund for this purpose, invested in stable and easily convertible securities, would cost more and return less.

To cover mortgages and other indebtedness; to protect creditors, endorsers of paper, financial backers or parties to a contract. As an anchor to windward during a speculative investment, or doubtful operation.

Many moneyless men of unquestionable integrity and acknowledged ability have found that life insurance—the safeguard against loss by untimely death—has enabled them to secure ample means and credit for their undertakings.

POLICIES FOR BUSINESS PURPOSES.

There is no essential difference between a policy of business insurance and one of the ordinary kind. The former is usually written with a firm or corporation as the beneficiary. Its premium is a charge against the concern and its cash value an asset of it. The policy generally contains one or

two clauses designed to meet special business requirements.

Joint policies are commonly employed in commercial insurance, and, where the object sought is mainly or solely indemnity for loss by death, they fully serve the purpose at considerably lower cost than would be involved in separate contracts.

The premium for a Joint Policy is a compound of that for the elder life on the regular form and the term rate on the younger for a corresponding period. As the reserve on term insurance is exceedingly small and runs out with the policy, a slight increase over the values of the regular form for the elder of the combined lives will approximate the precise values of the Joint Policy.

In order to limit the element of term insurance in the contract many companies restrict joint policies to two lives. This need cause no difficulty when three or more risks are involved. Let us suppose that a trio of partners desire to be insured for $10,000 each under joint contracts. Their ages are 50, 47, and 39 respectively. You pair them in the following combinations: 50–47; 50–39; 47–39; and have three policies of $5000 issued.

It will occasionally happen that a larger amount is required on one individual than upon the others of a group. For example: a corporation wishes to insure its president for $20,000 and four other officers for $10,000 each. You meet the requirements with three joint policies of $10,000 each on two lives combined as follows: 56–29; 56–37; 50–42.

SPECIALIZING IN COMMERCIAL LIFE INSURANCE.

So many advantages accrue to the agent in working business insurance that several of the ablest writers devote their attention almost exclusively to it. A general knowledge of business methods and finance is necessary to success in the higher class of cases. In addition to this the agent

should learn what he can of the particular business of the concern which he intends to approach with a proposition for commercial life insurance.

Small co-partnerships present a large and promising, but almost virgin, field for this kind of work. By far the majority of the firms operating on less than $10,000 capital have the most pronounced need of life insurance.

Policies of commercial life insurance will average much higher in amount than will those of domestic insurance. Settlements on the former are usually more readily secured. A logical suggestion for business insurance will generally command attention and interest. Far from interfering with the writing of individual insurance, business insurance will be found to lead to it, and facilitate it.

CHAPTER IX.

MATERIAL AIDS TO EFFICIENCY.

JUST what and how much printed matter an agent can use with advantage may only be determined by his own experience. Among successful life insurance salesmen, some carry a satchel full of literature, whilst others restrict themselves to a rate book and application forms.

Personally I favor the employment of as little printed matter as need be. A verbal statement affords opportunity for the strongest possible impression, and I feel that resort to corroboration weakens my standing with my prospect. I must secure his confidence in order to do business with him, and I prefer to assume that I have it sufficiently to induce his acceptance of any reasonable assertion that I may make.

Furthermore, if you can make your entire Canvass without reference to any document or memorandum, you create the impression of being thoroughly posted in your business. For this reason I never use an illustration and but seldom a rate book. If a Canvass is to be made on acquired data all the details should be memorized beforehand. In other cases most of the necessary information should be carried in the head at ready command. Every bit of practical knowledge that is available to you should be absorbed and made part of your permanent equipment. Policy forms, pamphlets, useful articles in insurance journals, and the rest should be digested and held ready for application.

It is rarely necessary to state precise figures in a

Canvass and much more effective to substitute percentages. You should know approximately the premium at any age for any standard form of insurance policy and also the loan values. You are offering, let us say, a Twenty Payment, Non-par contract to a man 35 years of age. It is quite sufficient to tell him that he will be charged slightly less than 3 per cent. of the face of the policy and will have loan values of about 45 per cent. in the 3d year; 55 per cent. in the fifth; 70 per cent. in the tenth; 80 per cent. in the fifteenth; and 90 per cent. in the twentieth.

The objections to the use of illustrations are many. They encourage careless preparation on the part of the agents. They generally repel a prospect by their massive presentation of bald figures. They afford good excuses for avoiding interviews. They give a great advantage to competitors into whose hands they may fall.

Economy of time and labor are promoted by simplicity. The agent should aim to simplify his processes and his mechanical aids. A policy register, prospect cards, a card index, and a supply of the "Record" and "Detective" are all that he can possibly need in his business.

The Prospect Card should contain **all** the data referring to the case, and a brief record of each interview, with its data, should be made on it. The best way of handling these cards is to keep them in an Index composed of divisions for every month, and each day of the month. Boxes, containing such card indexes, may be purchased from any stationer. When a card is not in immediate use it should be filed under the day when it is next intended to call on the prospect, or under some future month. This system avoids the trouble and confusion of numerous memoranda. It may be stated here that the next day's prospect cards should always be looked over and sorted the evening before.

Many agents have found the Record Card of

great value to them. Perhaps I cannot do better than to reproduce the words in which it was introduced to the force of the Home Office Agency of the Pacific Mutual.

HOW DO YOU SPEND YOUR TIME?

How much time did you actually turn to account in your business last week? You can't tell. Yesterday? You don't know precisely? The fact is that you are in the habit of spending your time carelessly and without calculation.

Do you spend your money in the same manner? Hardly, and yet time is your working capital. Its value is inestimable.

Let us suppose that you devote six hours daily to canvassing. This is certainly less than you should, and probably more than you do.

It is a safe surmise that one hour of your short day is consumed uselessly. One hour wasted each day means a day wasted each week. One day a week will run into fifty-two days a year. Two months of twenty-six working days wasted in a year.

Think of it—but stop. Perhaps I am exaggerating. Just turn your mind back over yesterday. Did the wasted time amount to one hour? Two? What about the day before? No better? Well, now ask yourself honestly whether in the course of the past month there was a single day in which you applied every minute of six hours directly and exclusively to the purpose of selling life insurance.

The truth is that you fritter away at least one-sixth of your time, and virtually curtail your income in the same proportion. You never realized it, but it is a fact, nevertheless.

When a business man discovers a leakage in his receipts or a wastage in his material, he puts in a cash register, or establishes a system of cost keeping. It is just such a remedy that I propose to

supply to you. I will make it a simple matter for you to ascertain exactly the amount of time you spend in your work and how you spend it.

The next page shows a specimen record card. When filled out one of these will give you a pretty accurate account of your expenditure of working capital for a week. It will not only show outlay of time, but the manner in which it has been applied. It will enable you to check waste and detect misuse.

On the back of the card is a conservative estimate of a year's work and results. The conclusion may look over-large to some of you, but the successive steps leading to it are within the capacity of all. Everyone can secure one interview for each hour's work. If so, he can aggregate 144 in a month. In the natural order of things, one half of the persons approached should afford an opportunity for opening the canvass. It is surely not too much to calculate on the agent's reducing to prospects one in every two men who permit him to present his proposition. That leaves him no greater task than to close twenty-five per cent. of genuinely interested cases.

There is one difficulty about this program. It is expressed in the first sentence: **"Six working days per week, six interviews per day."** Accomplish that, and the rest will follow inevitably. Almost any man in our business may write $216,000 a year, if every week of his year embraces six working days, composed of six purposeful hours.

Try it. Try it for one month—one week. Note the result and try it for another. In a short while your trial effort will have developed into a habit, and what appears to be an enormous undertaking will prove to be an easy task.

RECORD CARD.

Record of Work Done by

Week ending 191

Fill Out Daily!	Hours Worked A.M.	Hours Worked P.M.	Total Hours for day	New Calls	Prospect Calls	Total Interviews	Prospects Secured	Business Written (Thous'ds)	Paid Business Reported to Manager	Commissions Earned
Monday										$
Tuesday										$
Wednesday										$
Thursday										$
Friday										$
Saturday										$
Totals										$
Average per day										$

Duplicate deposited with Manager, Monday, 191

The object of this daily record is to help *you increase your own efficiency* by reducing waste of time and effort. As your own employer you must be *exacting*—demand an accurate daily accounting of *every hour of your time.* Be systematic in your method—persistent in your efforts and you will be surprised at the gradual but positive increase in your remuneration.

Endeavor to work according to the following memorandum as a basis for your *minimum* business:

6 working days per week, 6 interviews (not calls) per day = 36 interviews (not calls) per week = 144 interviews per month (26 days). $144 \div 2 = 72$ Favorables, $72 \div 2 = 36$ Hopefuls, $36 \div 2 = 18$ Probables, $18 \div 2 = 9$ written. Average policy $2000. Result, $18,000 per month (26 days). Average premium $35 per $1000. 12 months paid for production $216,000. Premiums $7560, average commission 50 per cent., 12 months' income $3780.

Do not fail to file a copy of this card with the Manager next Monday.

DETECTING WEAKNESS.

Some of the most prominent Life Insurance salesmen attribute their success mainly to one particular faculty—that of discovering the underlying lesson in every important experience and profiting by it. This I believe to be one of the most valuable habits that an agent can acquire. It needs no talent for its practice. Indeed, the man who is genuinely interested in his work cannot fail to exercise the perception and insight which will reveal to him the operations of cause and effect in his business dealings. It may be taken for granted that he will turn such revelations to account in the improvement of his methods and the increase of his Efficiency.

The beginner should habituate himself from the outset to review and analyze his experiences. After a decisive interview, go to some quiet place and ask yourself, "Why did I fail?" or "What was the chief cause of my success?" Carefully pass the entire interview in all its details through your mind. To find satisfactory answers to your questions will be of immense advantage to you. It may enable you to detect a weakness or eradicate a faulty method in its incipiency. It may afford you a realization of some forceful argument or effective process which you employed by chance, and might otherwise, never repeat.

Many salesmen unconsciously continue the practice of faults for years, and many others occasionally use successful tactics without definite appreciation of them. These are the haphazard agents who accept their successes and their failures without troubling to inquire into the cause of them. The scientific salesman, on the other hand, is constantly learning from his experiences. His Canvass is in a state of continuous evolution. He adds here and cuts out there. He adopts a new argument or modifies an old one. He varies his

method and alters his statements. These changes are suggested by the effects and failures which he observes in his Canvass. His Prospects are constantly giving him points. The mistake he makes with one, he avoids with the next. The tactics which prove successful in one case he learns to apply in another.

The chief difficulty with the beginner is lack of judgment. Want of experience may prevent his properly gauging his weaknesses and estimating his strong points. Without his realizing it, his approach may be poor, his Canvass may be insufficiently pointed at the beginning, or too long drawn out; he may attempt the close too soon, or defer it too long.

The intelligent and observant agent will discover these, and similar defects, but, at best, the process will be a slow and arduous one. Anything calculated to shorten this process and expedite Efficiency must be of practical value.

Now, I am going to offer you an aid for the detection of the weak and the strong points of your Canvass. A few trials will convince you of its practical value and effectiveness in strengthening your Canvass. It is a card which, for lack of a better name, we will call "The Detective." It is distinct from the "Record Card" which is designed to enable you to keep account of your expenditure of time. "The Detective" is intended to tell you what you do, or fail to do, with each Prospect.

The appended specimen illustrates the use of "The Detective." It is a day's record of a hard worker. He approached 19 prospects, most of them for the first time; where they were second or third interviews, the figures indicate the fact. He secured attention in 14 instances, excited interest in 10, attempted to close 3 times, and succeeded once.

What interferences do we draw from this card? The agent's approach is excellent and the first

part of his Canvass is strong. He closed once in three attempts and is probably a good closer, but he has a difficulty in reaching that point. His Policy Presentation must be attractive. It is likely that he arouses Desire in a majority of cases where he gains attention, but there is some hitch in carrying the Prospect forward to willingness.

The card also shows a marked unevenness in the day's work. Whereas, the agent "gained attention" nearly every time, and almost as often "created interest" in the forenoon, the latter half of the day included a number of failures in both respects.

The details from the specimen are drawn from actual experience. The agent in question was a beginner. The difficulty indicated by the card was traced to a poorly arranged, but a strong Canvass. He brought all his forces into action at the first attack and, when he had created Desire, his fire died down. He had no reserves with which to carry the remaining positions.

In the case which he closed on a second interview he was obliged to modify his Canvass. He refrained from repeating the Policy Presentation and, confining himself to his arguments, made a strong Closing Canvass without realizing it.

The unevenness of his work was accounted for by too steady application, and easily remedied by a longer noon rest and a half-hour break in the middle of the afternoon.

There was a little more difficulty in repairing the defective Canvass. The removal of some of the effective material from the beginning of the Canvass and its reservation for later use, had the effect for a while of weakening the efforts to "gain attention" and "create interest," but these stages of the Canvass were gradually strengthened.

In a few months this agent was making a highly efficient Canvass and closing in an unusually large percentage of cases. But for the record that he

kept,—which was somewhat similar to the "Detective" card,—he would, in all probability, have been much longer in discovering his weaknesses and arriving at success.

"THE DETECTIVE"

1913

Agent

APPROACHES	GAINED ATTENTION	CREATED INTEREST	ATTEMPTED TO CLOSE	CLOSED
1	x	x		
1	x	x		
1	x	x		
2	x	x	x	x
1	x			
1	x			
3	x	x	x	
1	x	x		
1				
2	x	x	x	
1				
1				
1	x	x		
2	x	x		
1	x			
3	x	x		
1	x			
1				
1				
19	14	10	3	1

"The Detective" is to be used in conjunction with the "Record Card."

The "Record Card" is the account of your expenditure of time.

"The Detective" is the exposure of your weak and strong points.

It will show what you do and what you fail to do in each particular interview.

If you are poor in the approach, good at creating interest, or slow in attempting the close, "The Detective" will clearly show it.

With the aid of this infallible indicator you may remedy your defects and take full advantage of your strong points.

Record each approach, indicating by the appropriate figure whether it is a first, second, or third call. Crosses in the respective columns will tell the rest of the story.

Use one card each day. Once a week,—or more often, if desirable,—submit the cards to your manager, who will examine and discuss them with you, and give you practical assistance in working out any changes in your canvass that "The Detective" may seem to call for.

CHAPTER X.

GENERAL SUGGESTIONS.

THE following suggestions, if faithfully followed, may be depended upon to greatly increase Efficiency. Merely reading them, however, cannot be expected to produce results. They must be practiced and converted into fixed habits.

SYSTEMATIC WORK.

Your work should be regulated by a definite plan to which you have given exhaustive thought. You should dispose of your time with economy and precision. Have certain hours for actual canvassing and let nothing interfere with them. Dispose of office business during your noon break or after five o'clock.

Set a certain mark for the year. Aim to secure somewhat more than the proportionate amount each month. Work each day with a weekly average in mind. Under such a method of sustained and definite effort any man must write at least $120,000 in a year.

Bear in mind that systematic and effective work will not be possible if your leisure hours are irregular and misspent. "A night with the boys" entails at least one lost day in business. The injurious physical and mental effects that follow loose living are ruinous to success in any serious line of endeavor. A life insurance salesman should be a business man first, a social quantity next, and a gentleman all the time.

CASH WITH APPLICATION.

The large number of unplaced policies annually reported by every company reflects the uncertainty that besets cases in which a settlement is not secured at the time of application. It is of the greatest advantage to the agent to form a habit of using the binding receipt. In by far the majority of instances there will be no difficulty about the matter. I have found it effective to impress upon the application form, with a rubber stamp, in red ink, the following words: "In the interest of the applicant the first premium should be remitted to the company with the application." When the applicant asks, "What does this mean?" my reply is somewhat as follows:

"If I receive your premium now, Mr. Blank, your insurance will go into full force and effect from the moment your examination is satisfactorily passed. Between that date and the issuance of the policy several days will elapse. Even after I receive it there may be considerable delay in its delivery, owing to your absence from the city, perhaps, or to your being too busy to see me at once. Now, suppose that you die in the meanwhile. That is not very likely I'll admit, but it is less improbable that you may become ill. In any case, if the company has received your premium the insurance is just as effective as though the policy lay in your safe.

"On the other hand, if you defer payment your insurance cannot become operative until the delivery of the policy to you in good health. However, the premium is charged from the date of issue and it would seem to be good business to have the benefit of all you are paying for.

"That is what the Company means by stating that 'in the interest of the applicant the first premium should be forwarded with the application.'"

PRODUCING THE APPLICATION.

The best time to get the application before your Prospect is the very first opportunity that offers, or that you can tactfully create for doing so.

I remember, when a kid, a wily dentist who used to allow me to play with his tools for five minutes before proceeding to business. He would contrive to put me into the chair with the tweezers in my hand. Then gently transferring the instrument to his own, he did the trick before I had time to get scared. Why, I almost pulled my own tooth.

Try the dentist's practice on your next Prospect. Spread your application form out before him. Let him see it—touch it—and assure himself that it won't bite. When you ask for his signature later, you will have less difficulty in getting it than if you bring the blank out with the abruptness of a bad man drawing a gun.

Let us take an illustration. At the opening of your Canvass the Prospect says: "I may change my occupation shortly. How about that?" "Well, let us see," you reply, laying the application before him; "just run over these warranties. Nothing in them that you couldn't sign to? That's all right then."

You continue your Canvass with the great advantage of having your application before the man, and he brought it there.

There are one hundred and one other ways of accomplishing this object naturally and logically.

"What is the date of your birth, Mr. Blank? Thanks. I'll jot that down to save time."

"You have a policy with the company, Mr. Blank? What is the number of it? Thank you. I'll record that before it escapes my memory."

You will find that getting your application before your Prospect early in the Canvass is a great aid to closing. It will help you to make a trial close. In case you have been premature, it will enable you to

retire without retreating. It will make it easier for you to come back to the close.

EXTRA ISSUES.

When you have been negotiating with a Prospect for a certain amount and he seems disposed to close at a lower figure, don't press your point too closely. Take his application for the smaller policy and **get a settlement.**

When you turn your papers into the office request the issue of an extra policy to make up the amount originally considered. In a great majority of cases, you will place both contracts. At the time of receiving a policy—**particularly if it has already been paid for**—a man is frequently most receptive to the idea of additional insurance, and in such cases as we have in mind, you enjoy the advantage of his having seriously considered it.

MAKE IT EASY FOR THE PROSPECT.

Most men have an ingrained dislike for figures and find arithmetical processes difficult.

When you tell your Prospect that his policy will, in the third year, have a cash value of $719, you subject him to the disagreeable necessity of calculating the proportion of that amount to the premium paid, if he is to gain an intelligent conception of your statement.

You will find that the employment of percentages aids your presentation of the proposition. To illustrate: Policy $10,000, premium $257—about 2½ per cent. of face value. Cash value, third year ($530) about 60 per cent. of the premiums paid; 10th year ($2010) about 75 per cent. of the premiums paid; 15th year ($3212) about 80 per cent. of the premiums paid. Final cash settlement $5260—more than 100 per cent. of the total payments.

Expressed in this manner, it is quite easy to get a grasp of the cost and returns of the policy.

THOSE BAFFLING PROSPECTS.

Some men have exceptional facility for creating interest in life insurance and proportional difficulty in crystallizing it into business. Such agents are frequently snowed under with Prospects, whilst they don't know where to look for an immediate application.

If you find yourself in such a predicament, go through your cards and winnow out ten or twelve of the most likely. Concentrate on those. Go after them with the determination to "Kill or close" them. Don't let anything divert your attention from these ten or a dozen persons. Stick to them as a deerstalker follows game.

You will probably close one or two and get rid of some deadwood at the same time.

CULTIVATE YOUR POLICY-HOLDERS.

An agent can hardly find a more prolific source of new business than the persons he has already written. Each of them should be called upon at least once in sixty days and their acquaintance cultivated by all possible means. In the majority of instances your policy-holder will appreciate it. He will influence business to you and give you additions on his own life.

Look over your policy register. How many names of men do you see upon whom you have never called since you delivered their policies? In how many cases have you neglected to canvass their relatives and business associates?

The entries in the registers of some of the most successful life insurance solicitors form links in a continuous chain. There is hardly a policy but has some connection with another. This is the

kind of business that pays. It represents the utmost production for the effort expended. It entails a steady increase year by year from the same amount of labor—and even less—because there is a constant increment of new business from that already done.

You will be richly repaid for keeping in touch with your policy-holders,—**provided they have been properly written and honestly dealt with.**

DON'T UNDERESTIMATE YOUR MAN.

Most of us use defective yardsticks in our business. They measure short—and a whole lot short at times. Almost invariably the amount of insurance which we propose to a prospect is less than he is capable of carrying, and often considerably less than he might be induced to take.

What is the result? Our inadequate policy produces the effect of a pre-prandial cocktail. It increases an appetite which is presently satisfied by some other agent, to his profit and our loss.

Don't be afraid to aim too high. It will be much easier to abate your figure than to increase it. It is not in human nature that a ten-thousand-dollar man should be offended by your estimating him at the twenty-thousand-dollar mark.

You may have heard the story of the railroad conductor who, after going through his car in a fruitless attempt to get a twenty-dollar note changed, finally appealed to an old darkey.

"Can you split this for me, Uncle?" he asked.

"No, Boss," replied the colored gentleman, straightening his back, "I suhtinly cannot break dat yar bill, but I mos' assuhdly thanks yuh fo' de compliment."

CHAPTER XI.

INCREASING PRODUCTION.

WHY does the average Life Insurance agent not do better? Why is he not a greater producer?

The explanation is not to be found in lack of ability. The average production of full-time agents is less than $100,000 of paid for business. That is an amount which any man can secure if he goes about it rightly.

I believe that the inadequate accomplishment of the majority of men in our business is attributable to a number of causes. I shall try to demonstrate the principal of these.

LACK OF PURPOSE.

No substantial success in any line of endeavor can be achieved without a clear-cut conception of the object sought and a well-defined plan for its attainment.

Ask the typical Life Insurance agent why he is in the business. He will answer: "Well, I want to make money and be successful." "How much money and what kind of a success have you in view?" He has not thought about that. "How do you purpose making this money and gaining this success?" He hasn't any clear idea on the subject.

He is in the business for all it will yield to him. But what that is to be he does not know. The whole thing is vague in his mind. He has never formulated his thoughts on the subject. He has never crystallized his desires.

The first step on the road to Success—and it is an essential one—is a clearly defined goal and a plainly laid out path to it. This is at once the foundation and the stimulus of effort.

You must make up your mind what you intend to be and to do. Are you ambitious of becoming a general agent? Decide upon the best course to follow in order to gain your object. Do you prefer to follow the more independent and care free life of the solicitor? Make up your mind what class of solicitor you shall work up to—a $200,000 producer, a $400,000, a $500,000 or whatever it may be.

Plan the home you will build, the income you will enjoy, the car you will drive. Create a definite goal and keep it constantly before your mind's eye. Each day make some advancement toward it, and never do anything which may retard your progress in the desired direction.

A serious purpose and a settled plan will dignify your work and add zest to it. Mere money motive can never do that.

Part of your plan must necessarily be the writing of a certain amount of business. Most agents commence the year with the intention of paying for a stated amount of insurance before the close of it and most agents fail to carry out their intention. These failures are not due to lack of ability but to want of system.

On the first of January, the 31st of December appears to be a long way off. There's lots of time and the agent dawdles along until presently the first three months have slipped away and only $10,000 have been accounted for. No need to

worry, however, there are still nine months. He continues to take it easy and the close of the half year finds him with $30,000 paid for.

Now he wakes up and realizes that in the next six months he must do 40 per cent. more than the proportional amount. He goes to work seriously and at the end of the quarter has brought his total up to $55,000. Incidentally, he has produced the proper quota for a three months' period.

With $45,000 wanting he attacks his task strenuously, but with anxiety and agitation that do not make for best results. By dint of utmost effort he pays for $35,000 and closes the year with $90,000—10 per cent. short of his mark.

Now this man has failed in his undertaking. At the same time he has produced $60,000 in six months, proving his ability to produce $100,000 or even $120,000 in a year. He falls down simply because he has actually only worked during seven months of the twelve.

There is not a man who reads this but what can pay for $100,000 in a year. I sincerely believe that a deaf, dumb and blind man could secure that amount of business by merely going around for seven hours a day and handing out his business card. He'd come across a sufficient number of men who could be closed without canvassing.

There is a simple but infallible method of writing a certain amount of business. Reduce your quota to the smallest practical unit: that entails getting down to work at the outset.

Your figure is $100,000, let us say. Put it on the basis of $10,000 a month, $2,500 a week of written business. That is making ample allowance for rejections and other contingencies. Your working quota is $2,500 of business to be written every week of the year.

You will have noticed that I said **every** week

of the year. That is to say, you have a liability due on the 7th of January and you must begin on the 1st to prepare to meet it.

If in any week you write no more than $2,000 your quota for the next week becomes $3,000. If on the other hand, you write $4,000 in one week, the excess is to be considered as a contingency reserve to be held against a spell of illness or a non-productive vacation.

This simple system, followed seriously, is bound to result in the production of $100,000 of paid for business. As a matter of fact, it is more likely to result in a much larger production.

FAILURE TO MAINTAIN INTEREST.

Failure to maintain interest is another cause of shortcoming. This is a drawback with which we all have to contend more or less. In all walks of life men find it difficult to sustain interest in their work.

The Life Insurance agent usually starts his career with the fire of enthusiasm burning brightly and he keeps the flame alive for, perhaps, a year. But gradually it wanes and at last dies down to a condition of spasmodic flickering as the breeze of good fortune fans it or the rain of disappointment quenches it.

How are enthusiasm and interest to be kept alive and maintained at a desirable degree of constancy? In a number of ways, of which the space at my disposal will only permit of mentioning a few.

You will find the habit of working on a regular weekly quota a powerful agent in securing the desired condition. Nothing will keep your enthusiasm at par so surely as procuring applications frequently. Steady production is the easiest form of work. The man who writes busi-

ness intermittently suffers the same loss of momentum and waste of energy as does the way-train which puts on the brakes and gets up steam afresh at every station.

If you have a set purpose in your business, a set goal, the constant contemplation of that purpose or goal will sustain and stimulate your enthusiasm. Imagine yourself enjoying the condition which is your ultimate aim and note your daily and weekly progress toward it.

Fashion your goal of a piece of good stout hardwood. Paint it in bright enduring colors. When the wind of adversity or the buffets of difficulty tarnish it, give it a fresh coat. Keep it ever bright and alluring before your mental vision. This will feed and stimulate enthusiasm.

Yet another means of sustaining interest in your work. Infuse the spirit of the game into it. Institute contests with yourself and others. Match yourself against some fellow agent. Strive one month to beat your record for the previous month or your best previous record. Make a bet with your manager that you will pay for a certain amount of business in a given time.

Another way of keeping up interest in your work is by studying your business and constantly striving for increased efficiency. The physician who should depend entirely upon practice for improvement of his skill would soon drop behind in the procession. In order to make headway he must read the medical journals and the latest books on his profession.

So the Life Insurance agent who aspires to success and advancement in his business must keep posted on it. He must read instructive articles in the class publications and study books on salesmanship and kindred subjects.

The time is fast approaching when it will be required of the Life Insurance agent that he shall

be technically educated, just as it is required of men in other professions. The public demands better education, the companies aim to furnish it. Soon there will be no room in our business for the man who is anything but a technical expert and an efficient salesman. Most of us will see the day when the uneducated, untrained, Life Insurance agent will be classed with the "shyster" lawyer and the "quack" doctor.

FAILURE TO MAKE USE OF POLICYHOLDERS.

I have reserved to the last, one of the strongest reasons why the average Life Insurance agent does not do better. There is in our business a powerful agency for production which is available to all of us. Nevertheless, it is entirely neglected by many and utilized to the utmost by comparatively few.

One of the most universal traits of human nature is **pride of ownership.** You see evidence of it on every hand. How often you hear men say: "My dentist is a wonder," "My tailor is the best in town," "My golf ball is a bird," "My machine has them all beaten." Yes, you find men boasting of every conceivable thing under the sun but one. You seldom hear a man say: "My Life Insurance Company is the best."

Why should this distinction exist to the disadvantage of Life Insurance? Is there any sound reason why this universal trait of pride of ownership should stop short in its effect upon the owner of a Life Insurance policy? I think not. Moreover, I believe that, Life Insurance being one of the most important of a man's possessions, it is quite possible to make the pride of ownership exceptionally strong in that connection. As a matter of fact, it is sometimes

done, but the instances are so rare as to emphasize the general absence of the condition.

The truth of the matter is that **we do not exploit our policyholders** to anything like the extent that we should. We can and we ought to make them as enthusiastic about our particular company as they are about any other concern with which they have dealings.

But how? By precisely the same methods as other concerns employ. And those methods may be summarized as continued attention.

How does a man acquire his enthusiasm for a certain make of automobile, for example? Seldom, if ever, merely by the use of it. After he has purchased, the manufacturer, directly or indirectly, keeps in touch with him. He receives circulars relating to the machine and reads advertisements extolling its superiority. The salesman calls upon him at intervals to learn how it is running and takes the opportunity to increase his satisfaction and enthusiasm. He is not treated as dead-wood after he has bought, but is cultivated as a prospective customer for a repeat order and a booster for new business.

An enormous amount of possible business is lost to Life Insurance agents by failure to treat their policyholders in the same manner. If we did as the automobile people do we should find large numbers of men taking policy after policy in the same company, just as they buy one model after another of the same machine, and recommending that company to their friends.

Our policyholders are enthusiastic when we sell to them usually, but by neglect we allow their feelings to die. Cultivate your policyholders. Make a point of seeing them at regular intervals. There are few practices of your business which will yield better returns for the time and labor expended.

I will close with a brief series of injunctions summarizing the conditions which you must standardize if you desire to bring your productiveness up to an approximation of the utmost potentiality.

Formulate a definite purpose and make a well-defined plan for carrying it out.

Organize yourself and systematize your efforts.

Maintain your enthusiasm and stimulate your interest in your business.

Study your profession and incessantly strive for increased efficiency in it.

Cultivate your policyholders and make them a prolific source of new business.

In these final sentences I believe that you will find a nearly complete formula for success.

WHAT PROMINENT INSURANCE MEN THINK OF "EFFICIENCY."

"It strikes me as one of the most helpful works of the kind for the live agent that I have ever seen. It is an aid alike to the 'man who knows' and the fellow who 'doesn't know.' It is especially strong in its treatment of that all-important part of the business—salesmanship."

J. C. MATCHITT, Editor and Manager,
"Northwest Insurance,"
Minneapolis, Minn.

"It is a strong document, written along right lines and should be a great selling help in the hands of an agency force."

MARSTON & SMALLEY, General Agents,
New England Mutual Life Ins. Co.,
Philadelphia, Pa.

"I am in receipt of your most valuable booklet, 'Efficiency' and I am pleased to say I have re-read the book the second time. I am very much interested in any literature on insurance, and can truthfully say your 'Efficiency' has more useful information, both for the beginner and the 'Old Field Man,' than anything I have ever read."

IRA E. QUIMBY,
New York Life Insurance Co.,
Victoria, B. C.

"I believe your booklet to be the best publication of its kind which has come under my observation."

A. N. DES CHAMPS, Manager,
Ætna Life Insurance Co.,
Bridgeport, Conn.

"Your book, 'Efficiency' is the first and only real practical treatise on Life Insurance Salesmanship that has ever been brought to my attention. Brevity is an essential element in efficiency. You have boiled down what others have required volumes to say."

R. M. MALPAS, Agency Manager,
American National Insurance Co.,
Galveston, Texas.

"It is my opinion that this is one of the most profitable and interesting treatises ever published in connection with insurance work. I am certain that I shall be more efficient than I was in the past as a result of a careful study of your valuable book."

M. MESSER, Manager Hoboken District,
Colonial Life Ins. Co. of America,
Hoboken, N. J.

"The plans of soliciting which you have outlined should be of tremendous value to new agents in analyzing their work. Chapter I is a new pen picture of the ideal Life Insurance Salesman."

W. F. McCAUGHEY, General Agent,
Northwestern Mutual Life Ins. Co.,
Racine, Wis.

"It is all good, and any agent, young or old, experienced or inexperienced, cannot fail to find many helpful hints, and if he will then proceed to use his 'self-starter' and do some real thinking he should be able to make money from your information."

CHARLES M. IDE, Special Agent,
New England Mutual Life Ins. Co.,
Boston, Mass.

"I think your little book is of the greatest value, not only to beginners, but to men who have had experience on the 'firing line.'"

WILLIAM H. RYAN, General Agent,
The Penn Mutual Life Ins. Co.,
Brooklyn, N. Y.

"I have read with a great deal of pleasure your booklet 'Efficiency' and have passed it around our office, where nothing but favorable comments have been made upon it. It is well gotten up, both from the standpoint of arrangement and material, and I congratulate you upon your success in getting out such a book."

EDWARD A. WOODS, Manager,
The Equitable Life Assurance Society,
Pittsburg, Pa.

"I found it very interesting and helpful; and, frankly, I found nothing to criticize therein. On the other hand, it is not only intelligently compiled, from the lay standpoint, but

is practical from the particular standpoint of securing the application."

C. J. EDWARDS, Manager,
The Equitable Life Assurance Society,
New York, N. Y.

"I think it is one of the finest little books I have ever read on insurance."

GEORGE M. SPIEGEL, General Agent,
Pacific Mutual Life Insurance Co.,
Indianapolis, Ind.

"The valuable little dynamc, 'Efficiency', has been received. I have read your book with interest and much profit.

"The book is an authority which drives a nail home so thoroughly it sticks. This treatise will make a man think, and then it tersely and cleverly unfolds suggestions on practical business methods that are invaluable to the fellow who believes in the survival of the fittest."

W. C. HUTCHINS, General Agent,
Bankers Life Company,
Des Moines, Ia.

"I have before me your favor of the 5th inst., and your Company indeed did me an honor when they sent me your booklet on 'Efficiency'. I consider it tiptop in every way, and I do not recall having mentally made any notes which would improve it. I think it excellent just as it is."

R. O. MILES, General Agent,
The Connecticut Mutual Life Ins. Co.,
San Francisco, Cal.

"I believe that it is the best thing ever published for life insurance agents. Instead of having spread-eagle stuff covering generalities, as the expression goes, it gets down to cases and gives something definite that the agent can say."

C. D. RODMAN, General Agent,
The Northwestern Mutual Life Ins. Co.,
Louisville, Ky.

"I will say for this booklet that it is without question or doubt and without exception, the best work on life insurance salesmanship, or any other kind of salesmanship, that it has ever been my pleasure to read."

ROBERT M. GRAY, Agent,
First Nat'l Life and Acc. Ins. Co.,
Hankinson, N. D.

"I have read this little book with great pleasure, and want to assure you that I have gained much valuable information from the same. I do not know that I could offer any suggestions at all for its improvement, as it seems to me that you have covered the ground thoroughly."

E. G. SIMMONS, Vice-President,
Pan-American Life Insurance Co.,
New Orleans, La.

"We have received the booklet entitled 'Efficiency' and wish to say that we have never seen anything which looked to us half as good."

PARKER & HINKLEY, General Agents,
New England Mutual Life Ins. Co.,
Buffalo, N. Y.

"I have read the papers very carefully, and wish to congratulate you most sincerely upon the exhaustive handling you have given the subject. You write like an artist. What you say is effective and beautiful. All my criticism may be bunched in the one word, 'splendid.'"

CHARLES W. PICKELL, Manager,
Massachusetts Mutual Life Ins. Co.,
Los Angeles, Cal.

"I want to say that after reading the booklet carefully I unhesitatingly pronounce it as a very valuable one, indeed. I am using some parts of it in the management of my own office, and shall employ more of the ideas it contains in time to come."

A. F. SOMMER, Superintendent,
Metropolitan Life Ins. Co.,
Cincinnati, Ohio.

"Your book seems to me to be the most direct trail to successful and constructive life insurance salesmanship. . . . I look upon Chapters, 4, 5, 6, and 7 as the guiding stars to my future success in the selling of life insurance, and take this opportunity to tell you I am deeply grateful to you and your Company for sending the book to our office."

JOHN J. O'NEILL,
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